

Committee Name and Date of Committee Meeting

Delegated Officer Decision – 21 October 2021

Report Title

Disposal of HRA Land - Eldertree Road Garage Site, Eldertree Road, Rotherham

Is this a Key Decision and has it been included on the Forward Plan?

Yes; it needs to be included on the Forward Plan.

Strategic Director Approving Submission of the Report

Paul Woodcock, Strategic Director of Regeneration and Environment

Report Author(s)

Sharon Langton, Principal Estates Surveyor – sharon.langton@rotherham.gov.uk

Ward(s) Affected

Keppel

Report Summary

The purpose of this report is to inform the Forward Plan that on 16 August 2021 Cabinet resolved 1) to dispose of the above-mentioned land (to Cadam Construction Limited); that 2) the Assistant Director of Planning, Regeneration and Transport agree the terms of sale, in consultation with the Council's Section 151 Officer and subject to any conditions imposed by planning; And 3) that the Head of Legal Services then negotiates and completes the legal documentation for this disposal.

The terms of sale have been agreed in principle, subject to Council approval. As such, it is recommended that the terms of this disposal is approved under Delegated Authority of the Assistant Director of Planning, Regeneration in consultation with the Councils Section 151 Officer. In order that Legal Services can be instructed to complete the legal documentation.

Recommendations

1. That this disposal (approved by Cabinet) is submitted and reported on the Forward Plan.
2. That the Assistant Director of Planning, Regeneration and Transport and the Section 151 Officer approve of the terms of this disposal.
3. That the Assistant Director, Legal Services be instructed to negotiate and complete the necessary legal documentation for the disposal of the subject land.

List of Appendices Included

- Appendix 1 Initial Equalities Screening Form
- Appendix 2 Site Plan
- Appendix 3 Exempt – Summary of negotiations
- Appendix 4 Carbon Impact Assessment Form

Background Papers

None

Consideration by any other Council Committee, Scrutiny or Advisory Panel

The Cabinet resolution on 16 August 2021 minute number 38.

Council Approval Required

No

Exempt from the Press and Public

Yes – Appendix 3 of this report

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1. Background

- 1.1 The land known as Eldertree Road garage site, Eldertree Road, Rotherham is a HRA land asset. This land is currently a garage site consisting of ten garages with eight garage tenants. Following the Cabinet resolution to dispose of it and after the call-in period had passed; the pre-consulted tenants have all been served with the notice to quit in order to obtain vacant possession of this site. It was highlighted to Cabinet that a range of support options are available to any tenants requiring assistance.
- 1.2 Cadam Developments Limited has an option to purchase the adjacent land from private owner(s) with planning permission upon it to build 24 houses. The direct sale of this garage site to this developer will enable the provision of a new access road through it from Eldertree Road. Cadam Developments Limited has agreed the purchase price of this garage site plus the payment of the Council's legal fees. The detail of the sale price is contained in Appendix 3 which is confidential.
- 1.3 The plan at Appendix 2 shows the land to be sold to Cadam Developments Limited delineated in red. The land to be developed is shown edged in blue (known as the Eldertree Lodge site) and red on this plan (known as the garage site).
- 1.4 On 16 August 2021 Cabinet resolved to dispose of this land to Cadam Construction Limited. The developer has requested that the garage site is disposed to Cadam Developments Limited. As such, finance reports have been obtained by Finance Services and it has been established that Cadam Developments Limited has the stronger covenant strength and is linked to its parent company Cadam Group Limited. Accordingly, Legal Services has advised that it would be appropriate to proceed with the disposal to Cadam Developments Limited under delegated authority. The confidential information on these companies is summarised at Appendix 3.
- 1.5 Following consultation and Cabinet approval, the tenants have been served notices to quit the site in order to gain vacant possession in preparation for the disposal of this garage site.

2. Key Issues

- 2.1 The subject land will provide the access to an adjacent residential site with planning permission upon it for 24 homes. The adjacent site is currently held in private ownership with an option for this developer to purchase it from them. Resultingly this developer is a special purchaser of the subject land and as such the negotiations have been independently ratified by the Valuation Office to ensure best consideration.

- 2.2 The disposal of the subject land will generate a capital receipt for the Council (HRA) and enable the delivery of the private development on the adjacent site.
- 2.3 It is recommended that the Council sell this land to Cadam Developments Limited under delegated authority as it has a stronger covenant strength than Cadam Construction Limited and is thus more likely to be able to fulfil its development obligations.

3. Options considered and recommended proposal

- 3.1 Cabinet resolved on 16 August 2021 1) to dispose of the above-mentioned land (to Cadam Construction Limited); that 2) the Assistant Director of Planning, Regeneration and Transport agree the terms of sale, in consultation with the Council's Section 151 Officer and subject to any conditions imposed by planning; And 3) that the Head of Legal Services then negotiates and completes the legal documentation for this disposal.
- 3.2 The terms of sale have been agreed in principle, subject to Council approval. As such, following Cabinet's resolution it is recommended that the terms of sale are approved under Delegated Authority to Cadam Developments Limited in order that Legal Services can be instructed to complete the legal documentation

4. Consultation on proposal

- 4.1 All local ward members have been consulted on the proposal to dispose of this property and no objections or representations have been received.
- 4.2 The proposal to dispose of this property has been the subject of detailed consultation including the Cabinet Member for Housing and Cabinet Member for Jobs and Local Economy through the Housing and Regeneration Board 6 April 2021, the Asset Management Board 26 May 2021 and Cabinet 16 August 2021.
- 4.3 Members have also been more widely consulted in respect of the principle of utilising Council-owned garage sites to deliver or enable new homes to be built. Officers met with members of the Overview and Scrutiny Management Board on 23 February 2021 and also delivered an all-Member Seminar on 15 March 2021.
- 4.4 The proposed housing development has been subject to public consultation through the planning process in obtaining planning permission.
- 4.5 The existing tenants had been informed of the potential for the garage site to be decommissioned in the near future to facilitate the housing development. Following the Cabinet decision, the garage tenants have been served with the notices to vacate the site along with various support options dependent on individual circumstances.

5. Timetable and Accountability for Implementing this Decision

- 5.1 Estates has advised that given the nature of the asset, a disposal to Cadam Developments Limited as a special purchaser by private treaty would be the only potential opportunity to dispose of the land.
- 5.2 Once the report has been submitted to the Forward Plan, the Assistant Director of Legal Services will be instructed to complete the necessary legal documentation based on terms already agreed with Cadam Developments Limited.
- 5.3 The site already has planning permission upon it so it will be targeted to complete this financial year.

6. Financial and Procurement Advice and Implications (to be written by the relevant Head of Finance and the Head of Procurement on behalf of s151 Officer)

- 6.1 There are no direct procurement implications arising from the recommendations detailed in this report.
- 6.2 The capital receipt from the sale of this property and a summary of both credit checks is identified in the exempt Appendix 3 attached to this report.

7. Legal Advice and Implications (to be written by Legal Officer on behalf of Assistant Director Legal Services)

- 7.1 Other than as already identified and detailed in this report and Appendix 3 there are no direct legal implications arising from the subject matter of this report.

8. Human Resources Advice and Implications

- 8.1 There are no direct HR implications arising from this report.

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 There are no direct implications for Young People and Vulnerable Adults arising from this report.

10. Equalities and Human Rights Advice and Implications

- 10.1 There are no direct implications for equalities or human rights arising from this report.

11. Implications for CO₂ Emissions and Climate Change

- 11.1 A Carbon Impact Assessment Form is attached in Appendix 4

12. Implications for Partners

12.1 None.

13. Risks and Mitigation

13.1 There is a risk that the developer fails to deliver the 24 new homes within a reasonable timescale. In order to mitigate this risk, conditions of sale will specify a build-out timescale which, if not achieved, could result in the land being returned to the Council.

14. Accountable Officer(s)

Simon Moss, Assistant Director – Planning, Regeneration & Transport
Sharon Langton, Principal Estates Surveyor – Estates Team

Approvals obtained on behalf of Statutory Officers: -

	Named Officer	Date
Chief Executive	Sharon Kemp	Click here to enter a date.
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	07/10/21
Head of Legal Services (Monitoring Officer)	Stuart Fletcher	05/10/21

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