

Select report type
Name of Committee

Committee Name and Date of Committee Meeting

Delegated Officer Decision – 28 July 2023

Report Title

Acquisition of Property and Rights at 3-7 Corporation Street

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

No, but it has been included on the Forward Plan

Strategic Director Approving Submission of the Report

Paul Woodcock, Strategic Director of Regeneration and Environment

Report Author(s)

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Ward(s) Affected

Boston Castle

Report Summary

An agreement to acquire the property at 3-5 and 7 Corporation Street has now been reached that will see removal of the landowner's objection to the Compulsory Purchase Order (made in April 2023). This report will exercise the delegation from January 2023 Cabinet authorised for the Assistant Director to agree Heads of Terms and complete the property transaction. Cabinet also gave authority to agree terms to acquire the rights required, in order to complete the redevelopment of the land.

Recommendation

1. That the Assistant Director for Planning, Regeneration, and Transport approves the acquisition by agreement of the property interests and rights required to complete the redevelopment, detailed in Appendices 1 and 2, in consultation with the Council's Section 151 Officer and the Cabinet Member for Jobs and the Local Economy.

List of Appendices Included

- Appendix 1 3-7 Corporation Street Plan and Rights Schedule
- Appendix 2 3-7 Corporation Street Property Acquisition Report
- Appendix 3 Equalities Impact Screening
- Appendix 4 Carbon Impact Assessment

Background Papers

Cabinet Meeting 28th March 2022 (Minute 124) [Printed minutes Monday 28-Mar-2022 10.00 Cabinet.pdf \(rotherham.gov.uk\)](#)

Cabinet Meeting 23rd January 2023 (Minute 105) [Printed minutes Monday 23-Jan-2023 10.00 Cabinet.pdf \(rotherham.gov.uk\)](#)

Officer Delegated Decision [Officer Delegated Decision Report 30th March 2023](#)

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Cabinet – 28 March 2022

Cabinet – 23 January 2023

Council Approval Required

No

Exempt from the Press and Public

Yes or No? If yes, use text below.

An exemption is sought for this report and appendices under Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part I of Schedule 12A of the Local Government Act 1972 is requested, as this report contains sensitive commercial information with regards to commercial agreements which could disadvantage the Council in any negotiations if the information were to be made public.

It is considered that the public interest in maintaining the exemption would outweigh the public interest in disclosing the information as the parties' commercial interests could be prejudiced by disclosure of commercial information.

Acquisition of Property and Rights at 3-7 Corporation Street

1. Background

- 1.1 Rotherham Metropolitan Borough Council is embarking on a significant regeneration opportunity after securing major public sector investment. The impact of this programme will bring benefits across the entire Borough of Rotherham.
- 1.2 The buildings at 3-7 Corporation Street have been continuously unused and derelict following incidents of fire damage in December 2005, April 2007, and July 2011. The poor appearance of the site detracts from the appearance and vitality of the Town; it is a disincentive to new investment and has a significant negative impact on the Conservation Area within which it is located, and on nearby businesses.
- 1.3 In January 2023, Cabinet approved the acquisition of the freehold and leasehold interests in 3-7 Corporation Street on terms to be agreed. Cabinet also approved the making of a Compulsory Purchase Order (CPO) under section 226(1)(a) of the Town and Country Planning Act 1990 for the acquisition of land and rights for the purposes of facilitating development, redevelopment, and improvement of the land.

2. Key Issues

- 2.1 As required by Government guidance, acquisition by negotiation rather than use of Compulsory Purchase powers is mandated where at all possible. Recent negotiations following the making of the CPO in April 2023, have secured agreement with the administrator of the deceased owner's estate to acquire the property. This, in turn, will remove their objection to the Compulsory Purchase Order.
- 2.2 The Council have agreed an offer for the purchase of 3-7 Corporation Street of [REDACTED] (exclusive of VAT but inclusive of the seller's fees and in full and final settlement of all claims for CPO compensation). A Property Report (Appendix 2) has been prepared by an external specialist CPO surveyor (Gateley Hamer), providing the rationale and evidence to support the acquisition. Acquisition of the property at this value reflects the removal of the CPO objections and the Council's ability to self-confirm the Compulsory Purchase Order, reflecting the significant cost and time savings associated.
- 2.3 In order to complete the redevelopment of the site, rights of access, crane oversail, and party wall agreements will be required. These rights were included in the CPO. A summary of the necessary rights is detailed in Appendix 1.
- 2.4 Specifically, Gateley Hamer, on the Council's behalf, are currently negotiating terms with McDonald's and Sunquest (located on Bridgegate) in relation to access to the rear of their properties to include means of escape, right to complete works on their properties, rights of crane oversail, and

compensation should a loss be demonstrable. Negotiations with these affected parties are close to conclusion and will result in agreed Heads of Terms for acquiring the necessary rights, and amounts specified for the Council to cover reasonable legal, agent, and compensation fees. Neither of these parties has made a formal objection to the CPO but they could do so if these agreements are not finalised.

- 2.5 Terms are also being negotiated with Done Brothers (Cash Betting) Limited, trading as Betfred, on Bridgegate, who have made an objection to the CPO. Heads of Terms including access to the rear of the property, right of crane oversail, and compensation should a loss be demonstrable, are now agreed and, subject to legal agreements being completed, the objection will be removed.
- 2.6 Following the removal of both objections, it is anticipated that the CPO can be self-confirmed. This will be subject to due process with the Planning Inspectorate.

3. Options considered and recommended proposal

- 3.1 Due to prior negotiations failing, the Council resorted to the use of Compulsory Purchase powers to progress the acquisition of the site. There is the option, therefore, to continue with the Compulsory Purchase. However, legal advice has indicated that the CPO is less likely to be successful if it is shown that the Council has rejected a reasonable offer to acquire the property by agreement, such as the offer in place from the seller which is the subject of this report. Accordingly, rejecting the offer would increase the possibility of the CPO failing.
- 3.2 The recommended option is to agree acquisition of the site at [REDACTED] (exclusive of VAT but inclusive of the seller's fees and in full and final settlement of all claims for CPO compensation) reflecting the significant cost and time savings associated with continuing the CPO.

4. Consultation on proposal

- 4.1 Affected parties have been consulted extensively throughout the negotiation process. They have been made aware of the importance of the land to the wider regeneration of the town centre and how the site is currently negatively impacting the area.
- 4.2 Wider external and internal communications on the Town Centre regeneration programme have taken place throughout the development of the funding plans and during the delivery of the programme via public events, online feedback, and internal meetings.

5. Timetable and Accountability for Implementing this Decision

- 5.1 Heads of Terms for the acquisition of 3-7 Corporation Street have been agreed. Exchange and completion will follow in due course as soon as

practically possible, whilst allowing Legal colleagues to undertake appropriate due diligence. Negotiations with affected parties are underway to agree rights and reimbursement of costs and Heads of Terms close to agreement. It is anticipated that all agreements and transactions will be completed by the end of September 2023.

5.2 Dialogue is ongoing with the Planning Casework Unit regarding the removal of the CPO objections and the timescale associated with the Council's ability to self-confirm the CPO. This timescale currently remains unknown, but it is anticipated that this will take place within 3 months of the transactions completing.

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 The cost of the proposed acquisition can be accommodated within the available approved budget for 3-7 Corporation Street. Acquisition through negotiation and agreement should see tangible benefits to the redevelopment of the site as works can progress at pace, seeing the site redeveloped sooner and ultimately at a lower cost given the current trajectory of inflation within the construction market.

6.2 This is a land transaction and therefore does not fall within the scope of the Council's Procurement Rules or Public Contract Regulations (2015 as amended). In this situation any land acquisition must comply with the Council's Financial Rules (Reference rule 27 - Assets). The subsequent re-development of the site once acquired will progress in full compliance with all relevant procurement legislation.

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

7.1 The pertinent legal advice affecting the issues raised by this report is embedded within the body of the report.

7.2 The main issues to be aware of are: a) the requirement on any Acquiring Authority (the Council in this case) to try to acquire the property and rights needed by agreement which officers and the Council's advisers have made great efforts to do so; and b) the likelihood that, if the Acquiring Authority does not accept a viable offer to acquire by agreement, a Planning Inspector would be more likely to reject the application for compulsory purchase at the Inquiry stage. If this were to happen, a large amount of fees and officer time would have been expended for no result.

8. Human Resources Advice and Implications

8.1 There are no direct human resource implications arising from this report.

9. Implications for Children and Young People and Vulnerable Adults

9.1 There are no direct implications arising from this report.

10. Equalities and Human Rights Advice and Implications

10.1 There are no direct implications arising from this report (see attached Equalities Impact Screening)

11. Implications for CO2 Emissions and Climate Change

11.1 There are no direct implications arising from this report (see attached Carbon Impact Assessment)

12. Implications for Partners

12.1. There are no implications anticipated from this acquisition.

13. Risks and Mitigation

13.1 Acquisition of the site brings a derelict and potentially unsafe building into Council ownership. To mitigate the risks associated with this, the Council plan to demolish the buildings as soon as possible. A Business Case has been prepared, quotations obtained, and colleagues informed in order to progress this course of action as soon as the site is acquired.

14. Accountable Officers

Tim O'Connell, Head of RiDO

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)	Named officer	Click here to enter a date.
Head of Legal Services (Monitoring Officer)	Named officer	Click here to enter a date.

Report Author:

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This report is published on the Council's [website](#).

