

Public Report with Exempt Appendices
Delegated Officer Decision

Committee Name and Date of Committee Meeting

Delegated Officer Decision – 30 July 2024

Report Title

Disposal of Car Park and Ancillary Accommodation, Snail Hill, Rotherham

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

Judith Badger, Strategic Director of Finance and Customer Services

Report Author(s)

Tim Hartley Strategic Asset Manager

Tim.Hartley@rotherham.gov.uk

Anjum Shabir Principal Estates Surveyor

Anjum.shabir@rotherham.gov.uk

Ward(s) Affected

Boston Castle.

Report Summary

The site is subject to a licence agreement with the proposed purchaser, the owner of the adjacent property, The George Wright Boutique Hotel. It is recommended that the site is disposed of to the proposed purchaser, as this would generate a capital receipt and remove the Council's liability / management of a site that has a limited future use. The proposed future use of the site following its disposal will be a car park and storage accommodation in association with The George Wright Boutique Hotel

Recommendations

1. That the Assistant Director for Property and Facilities approves the disposal of the site identified on the plan at Appendix 1. Asset Management will manage the disposal process with the proposed purchaser, in consultation with the Council's Section 151 Officer and the Cabinet Member for Transport, Jobs and the Local Economy.

List of Appendices Included

Appendix 1 Disposal Plan
Appendix 2 Exempt
Appendix 3 Equality Analysis
Appendix 4 Carbon Impact Assessment

Background Papers

None

Consideration by any other Council Committee, Scrutiny or Advisory Panel

N/A

Council Approval Required

No

Exempt from the Press and Public

Yes or No? If yes, use text below.

A partial exemption is sought for Appendix 2 of this report under Paragraph 3 (Information relating to the financial or business affairs of any person (including the authority holding that information)) of Part I of Schedule 12A of the Local Government Act 1972 is requested, as this Appendix 2 contains sensitive commercial information relating to a transaction between a number of parties including the Council.

Disposal of Car Park and Ancillary Accommodation, Snail Hill, Rotherham

1. Background

- 1.1 The Council have been approached by a local business owner in relation to the disposal of the subject site. The interested party is the owner of the George Wright Boutique Hotel, who has expressed an interest to purchase the subject site.
- 1.2 The Council have recently formalised occupation of the site with the proposed purchaser via a licence agreement dated 11th October 2023, with an annual rent being charged. The Licence contains a mutual option to break this agreement with 1 month's written notice.

However, for the owner of the property to agree a new lease with the hotel operator (A3 Hire Hotels which is part of Consort Hotels), it has been stated that they must own the freehold of the car park. This will ensure that they are not at risk of losing the car park for use by its guests which would be detrimental to the business.

- 1.3 The subject site was purchased in November 2020 as part of the wider town centre regeneration programme but has now been declared surplus to requirements by RIDO.
- 1.4 The site is located within Rotherham Town Centre, off Snail Hill, which is an adopted highway, and can be accessed by vehicle via the one-way system on Moorgate Street and The Crofts. The site is located within a predominantly retail area, close to Rotherham Town Hall, with pedestrian access down the hill leading directly onto the high street. All local amenities and public transport links are nearby and within walking distance.
- 1.5 The site comprises an irregular shaped parcel of land with a tarmac surface, currently used as a car park. Also included within the proposed disposal area is the building below the car park, which includes a plant room at ground floor level and a large open plan basement area.
- 1.6 Due to the nature of the proposed disposal (a direct approach without formally marketing the site) and to satisfy Section 123 of Local Government Act 1972, a valuation has been undertaken by the District Valuer to determine the price to be paid by the purchaser.

The market value of the site as of December 2023 is detailed in the exempt Appendix 2 and the proposed purchaser has agreed to pay this price.

- 1.7 The site was presented at Asset Management Board in December 2023, where the Asset Management Service supported a disposal to the proposed purchaser at the price stated by the District Valuer.

2. Key Issues

- 2.1 The site is surplus to the requirements of the Council and there is little benefit in holding this interest due to the low strategic value and limited potential for income generation.
- 2.2 The site is to be sold directly to the owner of the adjacent George Wright Boutique Hotel at a price set by the District Valuer.
- 2.3 The disposal of this asset will produce a capital receipt and a contribution towards the Council's professional fees.
- 2.4 The disposal will support the continuity of the existing George Wright Boutique Hotel, with the operator / tenant stating they will only renew the lease if the freehold of the car park is secured by the owner to protect their interest.

3. Options considered and recommended proposal

- 3.1 **Option 1** – The preferred and recommended option is to dispose of the site directly to the owner of the adjacent George Wright Boutique Hotel. Best value will be obtained as the Council has instructed the District Valuer to undertake a valuation of the site and the purchaser has agreed to pay the proposed value.
- 3.2 **Option 2** – The site is retained as a Council asset, continuing with the existing licence arrangement, and generating a small rental income. This is not recommended due to the loss of a capital receipt to the Council, the low strategic value, and the limited future use of the site.

4. Consultation on proposal

- 4.1 The local ward members have been consulted on the proposal to dispose of this asset.

5. Timetable and Accountability for Implementing this Decision

- 5.1 Once the report has been submitted and approved, the Assistant Director of Legal Services will be instructed to complete the necessary legal documentation for disposal.

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 exempt Appendix 2 includes details of the capital receipt value, as determined by the District Valuer.

Land and property acquisitions fall outside the scope of the Public Contracts Regulations 2015 (as amended) and as such there are no direct procurement implications arising from this report.

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

7.1 The site is currently let by way of a licence agreement to the applicant / adjacent property owner and this arrangement will be terminated prior to the land transaction being completed.

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 Children and 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 at Appendix 4.

12. Implications for Partners

12.1. None.

13. Risks and Mitigation

13.1 None.

14. Accountable Officers

Tim Hartley, Strategic Asset Manager – Asset Management Service
Anjum Shabir, Principal Estates Surveyor, Asset Management Service

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	Click here to enter a date.
Head of Legal Services (Monitoring Officer)	Bal Nahal	Click here to enter a date.

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