

## ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

<b>1. Meeting:</b>	<b>Cabinet</b>
<b>2. Date:</b>	<b>6<sup>th</sup> November 2013</b>
<b>3. Title:</b>	<b>Rationalisation of Property Assets: Land at Second Lane, Wickersley Ward: Hellaby Ward</b>
<b>4. Directorate:</b>	<b>Environment and Development Services</b>

### 5. Summary

**This report seeks approval to dispose of approximately 4,500 square metres of allotment land to Wickersley Parish Council at less than best value.**

### 6. Recommendations

- 6.1. That Cabinet supports Option 1 in this report for the transfer of ownership of this asset to Wickersley Parish Council.
- 6.2. The Director of Audit and Asset Management negotiates the terms of disposal of the asset as described in the report.
- 6.3. The Director of Legal and Democratic Services completes the necessary documentation.

## **7. Proposals and Details**

A request has been received from Wickersley Parish Council to purchase an area of land at Second Lane which forms part of an allotment site. The Parish Council has maintained an interest in this land since 1976, when a licence was initially granted to them for one year to allow them to develop this (and adjacent land which is already owned by the Parish Council) into allotments. The extent of the Parish Councils land is shown edged in red and RMBC's land is shown edged in yellow on the aerial photo at Appendix 1. Since 1976 the Parish Council has paid an annual fee and has maintained and developed the allotments, adding a pavilion building and recently purchasing further land from a private landowner for a nominal fee to allow expansion. The Parish Council now wishes to buy the freehold title to the remaining land in RMBC ownership at less than best value, to regularise their position and to protect the allotments for future generations.

The area in question is designated as Green Belt in the Unitary Development Plan and has not been identified as a development site in the Rotherham Local Plan draft Sites and Policies document.

On the basis of the current planning designation for the site and its use as allotments, the Market Value of the site has been assessed at £5,000.

### **Option 1 – Sale at less than best value**

Wickersley Parish Council is using the land to provide a statutory service to the local community. If the land were to revert to Rotherham Borough Council, then it is likely that it would be required to sustain a similar level of allotment provision. However, this would be difficult to achieve and would expose the Borough Council to additional financial risk which is not budgeted for. Taking this into account, and also the level of investment that the Parish Council has already committed to improving the facility over recent years, it is recommended that the land be sold at less than best value (nominal, say £1), with a restrictive covenant stipulating that it can only be used for allotments and that these must be maintained to a good standard and made available to tenants at a reasonable rent. The covenant should further state that if the land was to be sold or entered into a long leasehold interest that the Council will have the first option to buy the land back at £1.

The advantages of this option are as follows:-

- the Parish Council has confirmed that they would be willing to take responsibility for the site on this basis;
- the transfer would establish a position whereby Rotherham MBC has no liabilities, either now or in the future, in respect of the site itself or the provision of an allotment service at it.

The disadvantages of this option are as follows:-

- it would not yield a capital receipt for the Council
- it would be a departure from the Asset Transfer Policy, and might therefore be seen to set a precedent. However, it is believed that this is a unique instance of Rotherham MBC land forming part of a larger site being used by others as active allotments.

## **Option 2 –Transfer of land under Asset Transfer Lease Agreement**

This option had previously been proposed to Wickersley Parish Council, as it is in line with Rotherham Borough Council's current policy. However, the Parish Council has indicated that it does not wish to consider the transfer of the site on this basis as it would not resolve the issue of mixed ownership of the site.

Therefore, the premise for bringing this report is to confirm whether option 1 would be acceptable to Rotherham MBC as well as Wickersley Parish Council. It is recognised that this does not conform to Council Policy, but it is requested that an exception be made in this case as Rotherham MBC's financial position does not allow it to take on responsibility for maintaining and improving the existing service provision. The matter is being referred to Cabinet as this would be a departure from normal Council policy.

### **8. Finance**

The sale of the land would generate only a nominal receipt. However, the value of the land to Rotherham Borough Council is limited by the requirement to provide an allotments service. Wickersley Parish Council currently pays an annual fee of £12.

If the Council did not agree to transfer the site, then it may have to take on responsibility for providing an allotment service at the site itself. However, the Council is unable due to budget constraints to commit any expenditure to provide infrastructure enhancements or to maintain them. Any routine site maintenance would be confined to essential health and safety matters or other works as could be funded from rental income at the site; this would be likely to result in a deterioration in site condition.

The Market Value of the site for allotment purposes is £5,000. The proposed terms of the sale would not accrue this receipt which would otherwise contribute towards the Councils Capital Receipts Programme targets.

Council's surveyor's fee would be:

- Option 1 - Sale at less than best value - £750 plus VAT
- Option 2 - Asset Transfer Lease – up to £1,000 plus VAT dependant on the level of work involved.

Legal Service's fees would be £500 plus VAT for either option.

Wickersley Parish Council has indicated its commitment to paying these costs.

### **9. Risks and Uncertainties**

Wickersley Parish Council might reduce or withdraw the provision of allotments on the land in question in the future. However, any subsequent sale would be subject to a covenant whereby ownership of the land would revert to Rotherham Borough Council for (almost) nil consideration if it were no longer used in its entirety for allotments, and Wickersley Parish Council would be required to return the land in the same condition it was in at the point of sale, or to pay Rotherham Borough Council the cost of dealing with any disrepair or inadequate maintenance and its associated reacquisition legal and surveyors fees.

## **10. Policy and Performance Agenda Implications**

The proposal seeks to safeguard future allotment provision at Second Lane, Wickersley, which contributes to the following Corporate Plan outcomes:-

- More people are physically active and have a healthy way of life
- People enjoy parks, green spaces, sports, leisure and cultural activities

## **11. Background Papers and Consultation**

Financial Services, Legal Services and Audit and Asset Management have been consulted on this matter.

### **Contact Names:**

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**Appendix 1 - Approximate extent of land owned by Rotherham MBC and Wickersley Parish Council**

