

ROTHERHAM BOROUGH COUNCIL - REPORT TO MEMBERS

1.	Meeting:	Cabinet
2.	Date:	26 November 2014
3.	Title:	Rationalisation of the Property Portfolio: 49 – 53 St Anns Road, Rotherham Ward 2: Boston Castle Ward
4.	Directorate:	Environment and Development Services

5. Summary

To seek approval for the disposal of the above-mentioned asset which has been declared surplus to the requirements of the Department of Audit and Asset Management.

6. Recommendations

That:

- 1. Approval is given to the Director of Audit and Asset Management to negotiate a bi-partite agreement with Age UK in order to dispose of the asset on the basis recommended in item 7 in the report.**
- 2. The Director of Audit and Asset Management negotiates the terms of the disposal of the assets as described in the report.**
- 3. The Director of Legal & Democratic Services completes the necessary documentation.**

7. Proposals and Details

The asset comprises of three former terraced residential properties which were converted in the early 1980's to form an office which has been used since then as the main Rotherham headquarters for Age UK. The Council own the unencumbered freehold title to two of the properties, namely No.s 51 and 53 St Anns Road and Age UK own the effective freehold title to the property known as 49 St Anns Road.

The Council granted a 7 year lease to Age UK in 1982 to enable Age UK to utilise No.s 51 and 53 for office purposes and although the lease ended in 1989, they have been holding over on the lease since then and retain responsibility for repair and maintenance.

The premises are now surplus to the requirements of Age UK and they have approached the Council to see if we would be willing to enter a joint marketing agreement to dispose of the premises on the open market.

The property has a gross internal area (GIA) of approximately 190 sq mtrs (2,056 sq ft) of usable space. The total site area extends to approximately 400 sq mtrs and is shown edged red on the attached plan at Appendix 1. The area cross-hatched black is within Council ownership. The Council also own the freehold title to the land of no 49 and Age UK own a very long leasehold interest to this property (effective freehold)

The Director of Planning, Regeneration and Cultural Services has confirmed that the asset is allocated within a residential area. The continued use of the premises for office use would be acceptable and it is also considered that a change of use for conversion back to residential use would also be an acceptable use.

The proposal for the future use of the site is to sell the whole asset as shown edged in red on the Open Market subject to agreeing a bi-partite marketing agreement with Age UK. As the Council own two of the three properties, a capital split of 2:1 in the Council's favour has been negotiated. If this recommendation is approved by Cabinet then the asset will be marketed for sale on the open market. This option will produce a receipt for the Capital Receipts Programme. This option represents the best value for money arising from a disposal and is the recommended option to be pursued.

8. Finance

The capital receipt for this site, if sold, will support the Capital Receipts Programme. There are no current ongoing maintenance and liability costs incurred by the Council due to Age UK's occupation and responsibilities. The potential value of the premises is contained within the exempt finance addendum to this report

Revenue Costs:	Review: £2,000
	Marketing: £2,500 plus VAT
	Legal Services: £4,000
	Maintenance costs: N/A
	VAT applicable: VAT exempt sale

9. Risks and Uncertainties

A sale of the asset will produce a capital receipt, and although the recession has created a stagnant market there are signs of upturn in the local markets. The resultant level of uncertainty makes it difficult to provide an estimate. Any suitable offer received on the premises will be subject to both parties accepting it and what is acceptable to the Council may not be acceptable to Age UK. However any disputes could be referred to an independent third party for resolution in the proposed joint marketing agreement.

10. Policy and Performance Agenda Implications

A future sale of the asset will support the following corporate priorities and achievements:

- The sale of the asset for continued use as commercial premises supports and contributes towards the Council's strategy of creating employment opportunities and economic growth within the Borough.
- The site is located close to the main bus station and could encourage employees to utilise public transport. This promotes sustainability and would reduce CO2 emissions.
- The potential conversion of the premises for residential purposes would support the Council's strategy of the provision of housing to meet current and future needs

11. Background Papers and Consultation

Directors of Service, Appropriate Ward Members, the Appropriate Area Partnership Manager for the area, have been consulted and it is not required for alternative future service use requirements.

The three local ward members for Boston Castle Ward Councillor Hussain, Councillor McNeely and Councillor Wooton have all been advised of the availability of the premises. All three Ward Members have stated that they would like to see the premises returned back to their original use as dwellings.

The report was approved by the Finance Manager, Resources on 16 October 2014.

Appendix 1 – Site plan & Appendix 2 – Location plan

Contact Names:

Jeremy Nicholson, Senior Estates Surveyor, Department of Audit and Asset Management, ext 54039 jeremy.nicholson@rotherham.gov.uk

Colin Earl, Director of Audit and Asset Management, Environment & Development Services, ext 22033 colin.earl@rotherham.gov.uk

