

**Committee Name and Date of Committee Meeting**

Cabinet – 08 July 2019

**Report Title**

Acquisition of land at Fenton Road

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

Yes

**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**

Rotherham West

**Report Summary**

The purpose of this report is to seek Cabinet approval to acquire 1.29 hectares of land at Fenton Road from the Watson Estate. The Council already owns part of this Fenton Road site and the acquisition of the remainder will give the Council full control of this site and enable it to be marketed for housing development. The whole site can accommodate approximately 90 new homes which will make a positive contribution to the Council's Housing Delivery Target. The sale of the site to a housebuilder will also secure a Capital Receipt for the Council. The land sale will be the subject of a further report to Cabinet.

**Recommendations**

1. That approval be given to the acquisition of land at Fenton Road as detailed in Appendix 3, subject to the land being acquired within the allocated budget.
2. That the Assistant Director of Planning, Regeneration and Transport negotiates and agrees the terms and conditions of the proposed acquisition, in consultation with the Assistant Director of Financial Services and the Assistant Director of Legal Services.
3. That the Assistant Director of Legal Services be authorised to negotiate and complete the necessary legal agreements required for the acquisition of land at Fenton Road.

**List of Appendices Included**

Appendix 1: Equality Analysis Initial Screening

Appendix 2 EXEMPT: Financial implications  
Appendix 3: Land at Fenton Road

**Background Papers**

None

**Consideration by any other Council Committee, Scrutiny or Advisory Panel**

**Council Approval Required**

No

**Exempt from the Press and Public**

Yes If yes, use text below.

*An exemption is sought for **Appendix 2** 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 land at Fenton Road**

### **1. Background**

- 1.1 An opportunity has arisen to acquire land off Fenton Road from the Watson Estate. The Council already own part of the site and this acquisition will complete the whole Fenton Road site, bringing 2.67Ha of land entirely into Council ownership. This will enable the Council to sell on the whole site to secure delivery of approximately 90 new houses that will make a positive contribution to the Borough's housing delivery target. The sale of this land will be the subject of a further report to Cabinet.

### **2. Key Issues**

- 2.1 The Council owns approximately 1.38Ha of land adjacent to Fenton Road. Part of the site, approximately 1.29Ha is in the ownership of a third party, the Watson Estate. The site is also detailed in Appendix 3. The whole site can accommodate approximately 90 new houses and has previously benefitted from a planning consent on this basis.
- 2.2 The Fenton Road site has been the subject of joint marketing activity by both parties (Rotherham Council and the Watson Estate) for a number of years. There has been some interest in the site, none of which has translated into offers acceptable to the landowners, and the planning consent for the site has now lapsed. However, the Asset Management Service has reported some renewed interest in the site from the private sector, subject to a Phase 2 intrusive ground survey being made available, which has recently been completed.
- 2.3 Colleagues in Asset Management advise that the Phase 2 intrusive ground survey indicates that the ground conditions identified in the report will not result in any unreasonable additional build costs which would adversely affect the value of the site. Given the renewed interest in the site from the private sector, it is timely to re-market the site and secure its development.
- 2.4 However, given the prominent location of the site on Fenton Road, it is advantageous for the Council to have complete control of the site to ensure that a quality residential development can be achieved.
- 2.5 Negotiations with the agent of the Watson Estate have indicated a willingness to sell. An independent external red book valuation of the land will be undertaken to inform any financial offer the Council make to the Watson Estate for the land in question.

### **3. Options considered and recommended proposal**

- 3.1 A number of options to progress the delivery of this site have been considered and are set out in the following table:

	<b>Option</b>	<b>Pros</b>	<b>Cons</b>	
1.	RMBC acquire Watson Estate land interest	<p>Secures quality delivery of 90 new market homes which contributes to Housing Delivery Target</p> <p>Establishes new housing market in this location.</p> <p>Generates Council capital receipt</p>	RMBC incur costs to acquire Watson land	Recommended
2.	Watson Estate acquire RMBC land interest	<p>Generates early Council capital receipt</p> <p>Negates need for Council capital to acquire land from Watson Estate</p>	Site not in Council control at all. May not be brought forward for housing.	Not recommended
3	RMBC and Watson Estate continue to joint market the site	Negates need for Council capital to acquire land from Watson Estate	Site not in full Council control and could undermine ability to secure quality development in prominent location.	Not recommended
4	RMBC sell their existing land interest for development without the remainder of the site (Watson interest)	Negates need for Council capital to acquire land from Watson Estate	<p>Inefficient land use</p> <p>Will result in piecemeal development</p> <p>Watson Estate land not accessible without ransom from Council owned land.</p>	Not recommended

3.2 The Council has significant drivers to accelerate the delivery of new homes on the Council owned land at Fenton Road. This will make a meaningful contribution to the Borough's Local Plan housing target, help towards meeting the Housing Delivery Test, generate New Homes Bonus and Council Tax receipts.

3.3 The delivery of houses on this land will make a contribution to the delivery of the five year land supply in the Borough. The delivery at Fenton Road will demonstrate the Council's ability and commitment to bringing land forward to deliver new homes for the Borough.

3.4 Pursuing this option as the recommended proposal enables a number of opportunities to be achieved in the short term:

- Establishes a new housing market in this location and generates developer interest in Rotherham;
- Secures early delivery of 90 new homes and 25% affordable housing provision for local people;
- Opportunity to generate a capital receipt for the Council.

#### **4. Consultation on proposal**

4.1 Further consultation with Ward Members and local people will be undertaken as development proposals for Fenton Road are progressed and local people will have the opportunity to comment formally on the proposals through the planning process.

#### **5. Timetable and Accountability for Implementing this Decision**

5.1 Indicative milestones and timescales associated are set out below:

<b>Milestone</b>	<b>Start</b>	<b>Conclude</b>
Cabinet approval to acquire Watson Estate interest in Fenton Road site	July 2019	July 2019
Completion of land acquisition	July 2019	September 2019
Marketing of site via informal tender	October 2019	December 2019
Receipt and consideration of offers	December 2019	January 2020
Preferred housing developer selected	January 2020	January 2020
Land sale to preferred housing developer completed	February 2020	March 2020

#### **6. Financial and Procurement Advice and Implications**

6.1 The Council's agreed capital programme includes the provision of Council funding to acquire land at Fenton Road. The estimated value of the land and related financial implications are identified in the exempt Appendix 2.

6.2 The proposal is to acquire this land from the Watson Estate and market the whole site, having the benefit of the full ownership and control over the type of residential property development to be delivered. The site will be marketed via informal tender with the benefit of the findings of the Phase 2 intrusive ground survey which will be supplied to all interested parties. As the ground survey report carries collateral warranty then offerees will be able to rely on this information and firm up the value of any offers received. The marketing and sale of the site to a private sector housebuilder will secure the delivery of approximately 90 new homes.

- 6.3 Acquisition of the Fenton Road site coupled with the land already owned by the Council will enable the delivery of 90 new homes which will contribute to the Borough's housing growth target, deliver additional council tax revenue and generate a capital receipt.
- 6.4 The valuation report will be funded by the Estates Team in advance of the acquisition in order to establish the market value of the land currently in the ownership of the Watson Estate.
- 6.5 There are no procurement implications in this report.

## **7. Legal Advice and Implications**

- 7.1 As presently structured, the Council's acquisition from the Watson Estate is not expressed to be conditional upon any onward sale to a housebuilder. Accordingly, in the event that it does not prove possible to sell the whole site on, the Council will retain the whole site having incurred the costs of acquisition. Delivery of housing will then be considered by an alternative route.

## **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 implications for Children and young people and vulnerable adults arising directly from the land acquisition. However, the previous planning consent for this site did require the developer to make a financial contribution to education provision in the area. This issue will be considered as part of any new planning application for the site.

## **10. Equalities and Human Rights Advice and Implications**

- 10.1 Any new development taking place on this site will comply with all planning and building regulations with regard to meeting disabled access requirements. The addition of approximately 90 new dwellings and including affordable housing provision will make a positive contribution to people's chances of securing housing to meet their individual/family needs.

## **11. Implications for Partners**

- 11.1 This land acquisition and the subsequent development offers the potential to secure 90 new homes in this sustainable and accessible location close to the town centre. The development will offer much needed housing in the Borough and make a positive contribution to the Council's Housing Delivery Target.
- 11.2 The implications of the development itself will be considered as part of the planning application process.

## **12. Risks and Mitigation**

- 12.1 Some of the key risks are set out in the following table:

	<b>Risk</b>	<b>Mitigation</b>
1	Failure to acquire land from Watson Estate	Ongoing dialogue and joint working with the Estate's agent has established a positive relationship. However, failure to agree land value remains a risk.
2	Failure to secure market interest in developing the site	Maintain dialogue with parties already expressing interest in the site.
3	Failure to secure quality development from the market	Council don't proceed with sale to private sector and procure delivery partner.
4	Failure to recover full cost of land acquisition upon sale to the private sector	Independent red book valuation will inform value to be paid to Watson Estate for land acquisition.  Acquisition not completed if value required by Watson Estate higher than recommended market value.

### 13. Accountable Officer(s)

Paul Woodcock, Strategic Director of Regeneration and Environment

Approvals obtained on behalf of:-

	<b>Named Officer</b>	<b>Date</b>
Chief Executive	Sharon Kemp	21/06/19
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	19/06/19
Head of Legal Services (Monitoring Officer)	Bal Nahal	18/06/19
Assistant Director of Human Resources (if appropriate)	John Crutchley	21/05/19
Head of Procurement (if appropriate)	Joanne Kirk	20/05/19

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