

Public Report with Exempt Appendices  
Cabinet

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**Committee Name and Date of Committee Meeting**

Cabinet – 16 September 2019

**Report Title**

Disposal of Surplus Properties

- a) Kiveton Youth and Community Centre
- b) Former Keepers Cottage at Ulley Reservoir
- c) The site of the former Copeland Lodge and adjacent land

**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)**

Lindsay Johnson, Strategic Asset Manager  
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**Ward(s) Affected**

Wales  
Rother Vale

**Report Summary**

The purpose of this report is to seek approval to dispose of the Council's freehold interest in the following surplus properties:-

- a) Former Kiveton Youth and Community Centre
- b) Former Keepers Cottage Ulley Reservoir
- c) The site of the former Copeland Lodge and adjacent land

**Recommendations**

1. That approval be given to the disposal of the Council's freehold interest in the following properties:-
  - a) Former Kiveton Youth and Community Centre
  - b) Former Keepers Cottage Ulley Reservoir
  - c) Former Copeland Lodge and adjacent land
2. That approval be given to the Assistant Director, Planning Regeneration and Transport to dispose of the assets by implementing the most appropriate method of disposal to help expedite the process, whilst ensuring that best consideration is achieved under Section 123 – Local Government Act 1972.

3. The Assistant Director of Planning Regeneration and Transport negotiate the terms of disposals.
4. The Assistant Director of Legal Services negotiate and complete the necessary legal documentation.

### **List of Appendices Included**

Appendix 1 Initial Equalities Screening Assessment form  
Appendix 2 Property location plans  
Appendix 3 Exempt financial addendum

### **Background Papers**

None

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

None

### **Council Approval Required**

No

### **Exempt from the Press and Public**

*An exemption is sought for Appendix 3 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 that could impact on the negotiation strategy and disposal values.*

*It is considered that the public interest in maintaining the exemption would outweigh the public interest in disclosing the information because the Council's commercial interest could be prejudice by the disclosure of this commercial information.*

## **Disposal of Surplus Properties: Kiveton Youth and Community Centre, the Former Keepers Cottage at Ulley Reservoir; and the site of the former Copeland Lodge and adjacent land**

### **1. Background**

- 1.1 The subject properties have been declared surplus to requirements by the operational services. Consultations have taken place with all relevant Council Services and no alternative operational use has been identified.
- 1.2 The Ulley Reservoir Keepers Cottage is currently vacant, and in a poor state of repair, this poses a current and potential future risk in terms of securing the asset.
- 1.3 Kiveton Youth and Community Centre has partly been vacated with the remaining operating service intending to vacate by April 2020.
- 1.4 Copeland Lodge was formerly a residential care home located at Green Arbour Road, Thurcroft. The building was demolished in September 2018 and the vacant site (together with an adjacent plot of council owned land) extends to a total area of approximately 1.7 hectares (4.3 acres); and is shown edged red on the attached site location plan, at Appendix 2.
- 1.5 Copeland Lodge was demolished, using grant funding from Central Government via the Land Release Fund (LRF). Conditions were attached to the funding agreement which required the site to be released for residential development by March 2020. Should the site not be released for development by this date, there are clawback provisions within the agreement that require the costs of demolition to be returned. The actual demolition costs incurred from the funding are identified in the attached exempt financial Appendix (3).
- 1.6 The early demolition of the property removed a number of on-going issues the Council were experiencing – those being vandalism, numerous break-ins and the general anti-social behaviour around the site. It also removed the on-going financial pressures from the associated holding costs.

### **2. Key Issues**

- 2.1 The Council regularly reviews its property portfolio to ensure a fit for purpose estate, reduce unnecessary holding costs and, where appropriate, generate capital receipts.
- 2.2 Services have been consulted and had the opportunity to consider if the properties would be suitable for their operational requirements. No business cases have been submitted for retention of the assets.
- 2.3 Kiveton Youth and Community Centre has been advertised externally, through an Expression of Interest, to ascertain if a public sector partner or community/third sector organisation has a requirement for the asset.

- 2.4 Two Expressions of Interest for a Community Asset Transfer lease of Kiveton were received from community organisations. These have not been pursued further as the first application was unsupported, as it did not satisfactorily meet the requirements of the adopted policy; the second applicant later withdrew their interest for financial / viability reasons.
- 2.5 Kiveton Youth and Community Centre has been nominated as an Asset of Community Value, and listed by the Council under 'The Community Right to Bid (Assets of Community Value) legislation'. Should Cabinet recommend disposal, the nominating body will have 6 months in total to secure funding to purchase the asset. The asset will then be marketed for disposal allowing the nominating body an opportunity to bid for the asset along with any other interested parties ensuring the Council achieves the best price achievable in the open market.
- 2.6 Children and Young Peoples Services and Adult services are both currently using the Kiveton Youth and Community Centre, Asset Management are working with both services to facilitate their exit. The building is expected to be fully vacant by Spring 2020.
- 2.7 Under the local plan the Kiveton site is allocated for Community Facility use and as such any change of use that requires planning permission will need to first satisfy Special Policy 62 – Safeguarding Community Facility. The Council's Planning Service would advise if a change of use would be required prior to disposal.
- 2.8 Ulley Reservoir Keepers Cottage has been predominately used as a residential property, so subsequently does not meet the criteria of the Community Asset Transfer Policy. In July 2019 Asset Management Board supported a proposal that, given there is no alternative service requirement for the property, a recommendation be made to Cabinet to approve the freehold disposal.
- 2.9 The former Copeland lodge site is allocated for residential development in the Local Plan, therefore the principle of housing on this site is accepted.
- 2.10 There is a pressing need to release the Copeland site for residential development in order to avoid the clawback of LRF funding and therefore a disposal on the open market is the most appropriate way to both deliver the demand for homes on this site in Thurcroft and prevent the clawback of the grant funding.
- 2.11 In 2017, at the time of applying for the Land Release Fund grant funding (LRF) for the demolition of Copeland Lodge, the site was identified by Strategic Housing Service as a key site, to address a range of Housing needs in the area, and it was considered that Council-led intervention would be required to ensure these needs were met. The Strategic Housing Service no longer considers that Council intervention is necessary to deliver a viable housing scheme on this site and recommend a market-led delivery.

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

- 3.1 Option 1: The assets to be retained by the Council. Retaining the subject properties when there is no longer a service requirement poses a potential future risk to the Council in terms of securing and maintaining the assets, but also a financial liability for the continuing holding costs.
- 3.2 If the Copeland Lodge site is not released for development, the Council would be responsible for repaying the LRF grant funding secured for the building's demolition.
- 3.3 Option 2: The subject properties are offered for disposal with legal completion at the earliest opportunity.
- 3.4 The properties are currently (or soon to become) vacant; disposal at the earliest opportunity would minimise the risks and liabilities associated with security, maintenance and continued holding costs.
- 3.5 Releasing the Copeland Lodge site for residential development would contribute to the Council's housing growth targets.
- 3.6 Recommendation: Option 2 be approved. It is recommended that the subject properties are offered for disposal with legal completion at the earliest opportunity.
- 3.7 A briefing note will be provided to Cabinet Office with the latest LRF return asking to open dialogue between the Council and Cabinet Office to discuss any potential clawback arrangements should it not be possible to release the land by March 2020. The outcome of these discussions may still result in clawback and therefore it is recommended that the sale transaction is progressed quickly. Should repayment of the grant funding be demanded, prior to the site being released for residential development, it is considered that a market-led scheme would still be viable.
- 3.8 Should Cabinet approve the disposal of the assets included in this report, the Assistant Director of Planning, Regeneration and Transport, be authorised to determine the most appropriate method of disposal, ensuring best consideration is achieved and to reduce future holding costs.

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

- 4.1 All respective ward members have been consulted on the proposals in relation to the properties, no objections were received.
- 4.2 The proposal to dispose of the subject properties has been supported at Asset Management Board.
- 4.3 Relevant Council services have been contacted regarding the future of the asset along with further consultation across a range of directorates at Asset Management Board.

4.4 Expressions of interest and comments on the future of the Kiveton Youth and Community Centre have been sought from community and third sector organisations, via the Council's area partnership officers, the Council internet and Voluntary Action Rotherham.

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

5.1 Should the disposals be approved, the Council's Assistant Director of Planning, Regeneration and Transport, as advised by the Estates Team will select the disposal option which will achieve best consideration and begin marketing the properties. In the case of Kiveton, marketing may be delayed six months should the nominating Community Right to Bid group wish to pursue collating a bid.

5.2 Should the assets be approved for disposal, the Assistant Director of Planning, Regeneration and Transport, as advised by the Estates Team, will instruct Legal Services to prepare the necessary documentation in readiness for disposal.

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

6.1 The estimated capital receipts from the sale of the subject properties are identified in the exempt Appendix 3.

6.2 The revenue savings arising from the disposal of these assets will contribute to the approved revenue saving CCR2, in respect of the wider corporate review of land and property and are identified in the exempt Appendix 3.

6.3 As the former Copeland Lodge building has been demolished, the Council is no longer incurring holding costs. Revenue savings from the demolition of this property are contributing to the Council's approved ASR savings.

6.4 There are no direct procurement implications arising from this report.

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

7.1 Provided that the Assistant Director of Planning, Regeneration and Transport, acts on advice from Legal Services as necessary, selects a disposal method which satisfactorily secures best consideration, there are no direct legal implications arising from this report.

## **8. Human Resources Advice and Implications**

8.1 There are no HR implications arising from this report.

## **9. Implications for Children and Young People and Vulnerable Adults**

9.1 There are no additional CYPS implications arising from this report. It should be noted that Kiveton Youth and Community Centre was declared surplus to the requirements of the CYPS Early Help as part of the review of Early Help Review and the service have identified alternative Council premises to relocate to.

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

10.1 There are no implications for equalities or human rights as the proposed amendment will be within existing legal frameworks.

10.2 An Equalities Screening Assessment is attached at Appendix 1.

## **11. Implications for Partners**

11.1 Public sector partners have been consulted on the Kiveton Youth and Community Centre property in relation to this report.

## **12. Risks and Mitigation**

12.1. Should the Council retain these assets without an identified operational requirement, or clear path for their future use, it will place a significant financial burden on current resources.

12.2 Should the properties be allowed to stand vacant, there is a risk that they will attract anti-social behaviour, acts of vandalism or arson; resulting in deterioration of their condition and possible reduction in capital value.

12.3 The main mitigation for the above risk is to dispose of the sites.

12.4 In relation to the former Copeland Lodge there is a risk that if disposal is not achieved by March 2020, the Council will face repaying the LRF grant funding.

12.5 An application has been made to the Cabinet Office requesting that the clawback date be deferred to allow more time to release the site. However, as there is no guarantee that this request will be approved, it is recommended that the sale transaction is progressed quickly. Should repayment of the grant funding be demanded, prior to the site being released for residential development, it is still considered that a market-led scheme would be viable.

12.6 Should the decant of Kiveton not take place, by the scheduled date of April 2020, there is a potential risk to the Council in terms of the liability for the continuing holding costs of the building.

**13. Accountable Officers**

Paul Woodcock - Strategic Director Regeneration and Environment  
Bronwen Knight - Acting Assistant Director of Planning Regeneration and Transport  
Paul Smith - Head of Asset Management  
Lindsay Johnson - Strategic Asset Manager

Approvals obtained on behalf of Statutory Officers:-

	<b>Named Officer</b>	<b>Date</b>
Chief Executive	Sharon Kemp	02/09/19
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	19/08/19
Head of Legal Services (Monitoring Officer)	Bal Nahal	27/08/19

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