

Public Report with Exempt Appendices
Cabinet

Committee Name and Date of Committee Meeting

Cabinet – 16 August 2021

Report Title

Sale of HRA Land - Eldertree Road Garage Site

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

Anne Marie Lubanski, Strategic Director of Adult Care, Housing and Public Health

Report Author(s)

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Ward(s) Affected

Keppel

Report Summary

The Eldertree garage site (plots 11-21) in Thorpe Hesley is owned by the Council and held within the Housing Revenue Account asset register. A Rotherham-based developer, CADAM Construction Ltd, has obtained planning permission to build 24 new homes on adjacent land known as Eldertree Lodge, but this is dependent on the developer being able to acquire the garage site from the Council in order to gain access to the site. This report seeks Cabinet approval to sell the land to the developer.

The garage site has been independently valued by the District Valuation Service and negotiations between the Council's Asset Management Service and the developer have resulted in an agreed position that reflects 'best consideration' to the Council.

If the recommendation is approved, 24 new homes will be built which will meet local housing need and contribute to the borough's housing delivery target.

The proposal will necessitate the decommissioning of the garage site which will affect eight current garage tenants. The garage tenants have been consulted and if Cabinet agrees to sell the site, a range of support options will be available to any tenants requiring assistance.

Recommendations

1. That the principle of selling the Council-owned Eldertree garage site to CADAM Construction Ltd, in order to enable residential development on an adjacent privately owned site, be approved.
2. That authority be delegated to the Assistant Director of Planning, Regeneration and Transport to agree the terms for the sale, in consultation with the Council's Section 151 Officer and subject to any conditions imposed by Planning.
3. That authority to negotiate and complete the legal documentation to give effect to the Cabinet's decision, be delegated to the Council's Head of Legal Services.

List of Appendices Included

- Appendix 1 Initial Equality Screening (Part A)
- Appendix 2 Equality Analysis (Part B)
- Appendix 3 Carbon Impact Assessment
- Appendix 4 Site plan
- Appendix 5 Exempt – Summary of Negotiations

Background Papers

Link to planning application:

<https://planning.rotherham.gov.uk/fastweblive/detail.asp?AltRef=RB2020/0581>

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Housing and Regeneration Board – 6 April 2021

Asset Management Board – 26 May 2021

Council Approval Required

No

Exempt from the Press and Public

No

However, an exemption is sought for Appendix 5 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, on the basis that releasing the information could put the Council at a commercial disadvantage.

Sale of HRA Land - Eldertree Road Garage Site

1. Background

- 1.1 Eldertree Road is a Council-owned garage site, comprising ten garages which are currently available for rent to Council tenants and the general public.
- 1.2 The garage site provides an access to the adjoining land known as Eldertree Lodge, a 0.88ha former pig farm which is no longer in use. The site has been identified for residential development within the Council's Local Plan – allocation reference H38.
- 1.3 CADAM Construction Ltd, a local SME (small and medium-sized enterprise) developer has recently applied for and secured planning permission to build 24 new homes on the Eldertree Lodge site, but needs to purchase the Eldertree Road garage site from the Council in order to provide an access to the new development.
- 1.4 By selling the site to the developer, the Council will be directly enabling delivery of the 24 new homes as this would not currently be possible without Council involvement. This will contribute toward the Council's corporate targets for housing growth and help meet the requirements of the Government's Housing Delivery Test.
- 1.5 As part of the planning application process a Section 106 agreement has been put in place to provide affordable housing and contributions towards education and sustainable transport.

2. Key Issues

- 2.1 Eight of the garages on the Eldertree Road garage site are currently tenanted meaning that sale of the site will require the existing tenants to vacate their garages.
- 2.2 The Council has established a Garage Site Development Protocol to manage the decommissioning of garage sites in preparation for housing development. This ensures that garage tenants are provided with significant advance notice of the potential for development, and further makes provision to support any tenants who will face hardship.
- 2.3 Council-owned garages generate relatively low income to the Council when taking into consideration maintenance costs, rental income and the potential for sites with low uptake in particular to suffer from anti-social behaviour which increases the demand on Council resources. Also, the proportion of garages being utilised for the purpose of storing a vehicle is much lower than it has been in the past, with many garages now just utilised as storage, and garage tenants increasingly benefitting from off-street parking provision at their home.
- 2.4 The Council has commissioned the District Valuer to undertake an

independent valuation of the site. The District Valuer provided an independent valuation which confirms that the site value is more than £100,000 and this exceeds the value limit for asset sales which can be approved under existing delegated powers. Cabinet approval is therefore required to agree to sale of the site.

- 2.5 Subsequent negotiations have taken place between the Council's Asset Management Service and the developer, and a price has been agreed that reflects 'best consideration' to the Council. This is set out in Exempt Appendix 5.

3. **Options considered and recommended proposal**

3.1 Option 1: Sell the site to the developer

This is the recommended approach, as it will enable the development of 24 new homes on a site which has been allocated for residential development within the Council's Local Plan.

3.2 Option 2: Retain ownership of the site (business as usual)

This would allow the Council to continue to provide garages to up to ten tenants. However, it would prevent the development of 24 homes on the adjacent privately owned site.

This option is not recommended.

3.3 Option 3: Redevelop the garage site into new homes

Whilst this may enable the delivery of an estimated two new Council homes in the future, the site has not been identified as a priority within the next few years. This option would require Council capital expenditure and prevent the development of 24 homes on the adjacent privately owned site.

This option is not recommended.

4. **Consultation on proposal**

- 4.1 Local ward members were initially consulted in December 2020. One concern was raised in relation to the impact of the housing development on local traffic levels and the Planning Authority confirmed that it is expected that the additional traffic can be safely accommodated within the existing highway network.

- 4.2 Further consultation took place between May and July 2021 to include the new Keppel Ward Member elected in the May 21 local elections. Some concerns were expressed about the impact of increased housing provision on the existing infrastructure and amenities in Thorpe Hesley as two other, larger residential developments have recently commenced in the village. However, all three of the sites were allocated for residential development in the Local Plan, which was subject to rigorous scrutiny and consultation, and

the impact of the development on the local area was assessed in detail before the Eldertree Lodge planning application was approved.

- 4.3 A meeting was held on 7th July 2021 between the Ward Members and staff from Planning, Neighbourhoods and Housing to discuss the Planning Gain contributions from the three development sites into the local area and it was agreed that Members will be kept informed of progress with the development.
- 4.4 The Cabinet Member for Housing and Cabinet Member for Jobs and the Local Economy have been consulted, along with senior officers from Asset Management, Legal, Procurement, Planning and Finance services, via the Housing and Regeneration Board and Asset Management Board and various separate discussions.
- 4.5 Members have also been more widely consulted in respect of the principle of utilising Council-owned garage sites to deliver or enable new homes to be built. Officers met with members of the Overview and Scrutiny Management Board (OSMB) on 23rd February 2021 and also delivered an all-Member Seminar on 15th March 2021.
- 4.6 The Eldertree Lodge housing development has been subject to public consultation through the planning process.
- 4.7 The existing garage tenants have been informed of the potential for the garage site to be decommissioned in the near future to facilitate housing development. While this is not a formal Notice to Quit, it provides them with as much notice as possible that they may need to vacate their garages. If Cabinet approves the sale of the garage site, further engagement will take place with the garage tenants and various support options will be considered depending on individual circumstances.

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

- 5.1 The Assistant Director of Planning, Regeneration and Transport is accountable for ensuring the sale of the land represents best consideration to the Council. The Council's Legal and Asset Management Services are accountable for completing the necessary transactions relating to the sale.
- 5.2 The anticipated timetable for implementation is as follows, subject to the Cabinet's decision:
 - Commence formal communication with existing garage tenants – August 2021
 - Garage decommissioning – August – September 2021
 - Conclude sale – September 2021
 - Developer to start on site – by end of 2021

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 Fully occupied, the ten garages on this site would generate approximately £2,700 gross revenue income per annum. The implications of this will be incorporated into the HRA Business Plan.

6.2 There are no direct procurement implications arising from the recommendations detailed in this report.

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

7.1 The key legal principle to be concerned about in this situation is ensuring that best consideration is obtained and this is detailed within the report. Other than this, there are no substantive legal issues arising from the content of the 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 The new housing development (the planning application for which can be accessed [here](#)) will comprise predominantly family accommodation including some five-bedroom homes. This is consistent with data about housing need in Thorpe Hesley. The affordable housing contribution will comprise two bungalows (each with two bedrooms) and the Council will seek to acquire these through its strategic acquisitions programme, in order to meet the general demand for homes for older people and people with support needs. Any negotiations regarding council acquisitions will be entirely separate from the land sale transaction.

9.2 If any garage site tenants are caused hardship as a result of being required to vacate their garages, support will be provided.

10. Equalities and Human Rights Advice and Implications

10.1 The sale of the garage site will enable the development of 24 new homes, mainly for families but also including the provision of two affordable bungalows that the Council intends to acquire and offer to older people on the Council's Housing Register. Providing new affordable homes will increase access to suitable housing for those in need as bungalows are accessible and allow people to live independently for longer. The individual needs of the garage tenants will be taken into account and reflected in a range of support options that can be made available, based on individuals' circumstances. The full equalities assessment is attached as Appendix 2.

11. Implications for CO₂ Emissions and Climate Change

11.1 Climate change poses a significant threat to environments, individuals, communities, and economies on local, national, and international scales. In recognition of this the Council has aimed to be net carbon neutral as an

organisation by 2030, and for Rotherham as a whole to achieve the same position by 2040.

- 11.2 The sale of the garage site at Eldertree Road will have no significant impact on emissions for the Council, however the sale will enable the construction of 24 new homes by a private developer which will increase emissions during both the construction process and from the heating and lighting of the new homes.

12. Implications for Partners

- 12.1 This proposal will support a local SME business.

13. Risks and Mitigation

- 13.1 There is a risk that the developer fails to deliver the 24 new homes within a reasonable timescale. In order to mitigate this risk, conditions of sale will specify a build-out timescale which, if not achieved, could result in the land being returned to the Council.

14. Accountable Officers

Paul Walsh, Interim Assistant Director for Housing

Simon Moss, Assistant Director of Planning, Regeneration and Transport

Approvals obtained on behalf of Statutory Officers:-

	Named Officer	Date
Chief Executive	Sharon Kemp	02/08/21
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	27/07/21
Head of Legal Services (Monitoring Officer)	Stuart Fletcher	28/07/21

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This report is published on the Council's [website](#).