



## SHEFFIELD CITY COUNCIL Cabinet Report

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**Report of:** Executive Director - Place

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**Date:** 19<sup>th</sup> March 2014

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**Subject:** Proposed Disposal of Land Adjoining New May House Farm, Foxhall Lane, Sheffield, S10 4QA

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**Author of Report:** Dave Wood, Capital & Major Projects, Place

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### Summary:

This report seeks Cabinet approval to the disposal of land adjoining New May House Farm. The land is held on charitable trust by the Council, the registered charity being 'Charities for the maintenance of The City Hall Gardens and other charitable purposes in the City of Sheffield' (Charity Registration Number 260357) and therefore consent from Cabinet members acting as charity trustees is required. The disposal by way of a long lease for a term of 150 years via a private treaty sale will generate a capital receipt which will be reinvested back into the maintenance of the City Hall Gardens in accordance with charity legislation and subject to the current requirements of the Charity Commission.

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### Reasons for Recommendations:

It is recommended that Cabinet acting as Charity Trustees in accordance with the powers given to the Council as Trustee under the provisions contained in the Trusts of Land and Appointment of Trustees Act 1996:

1. Declare the land adjoining New May House Farm as surplus to the Charity's requirements.
2. Approve the disposal by long lease of land adjoining New May House Farm in accordance with terms of this report and a Surveyor's Report obtained in compliance with Section 119(1) Charities Act 2011, subject to the receipt obtained from the sale being applied in accordance with the objects of the Charity.

3. Authorise the Director of Capital & Major Projects to instruct the Director of Legal & Governance to prepare and complete all the necessary legal documentation in accordance with the agreed terms and Charity Commission requirements to conclude the disposal and to serve any notices required in connection with the disposal.

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**Background Papers:** None

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**Category of Report:** **Closed** – Part 2 and the Appendix are not for publication because they contain exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended)

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## Statutory and Council Policy Checklist

<b>Financial Implications</b>
YES Cleared by: Paul Schofield
<b>Legal Implications</b>
YES Cleared by: David Blackburn
<b>Equality of Opportunity Implications</b>
NO Cleared by:
<b>Tackling Health Inequalities Implications</b>
NO
<b>Human rights Implications</b>
NO:
<b>Environmental and Sustainability implications</b>
NO
<b>Economic impact</b>
NO
<b>Community safety implications</b>
NO
<b>Human resources implications</b>
NO
<b>Property implications</b>
YES Cleared by: Dave Wood
<b>Area(s) affected</b>
Fulwood
<b>Relevant Cabinet Portfolio Leader</b>
Cllr Ben Curran
<b>Relevant Scrutiny Committee if decision called in</b>
N/A - decision by Council as charitable trustees
<b>Is the item a matter which is reserved for approval by the City Council?</b>
<b>Press release</b>
NO

**REPORT TO CABINET  
19<sup>th</sup> March 2014**

**PROPOSED DISPOSAL OF LAND ADJOINING NEW MAY HOUSE FARM,  
FOXHALL LANE, SHEFFIELD, S10 4QA.**

**1. Summary**

- 1.1 This report seeks approval to terms provisionally agreed for the sale of the land coloured pink, following private treaty negotiations. It is proposed that upon disposal the land will be subject to an absolute user clause limiting the use thereof to that of an extension of the purchaser's existing garden (land edged blue).

The land previously formed part of a larger annual agricultural tenancy but this use ceased some years ago and the subject land was surrendered back to the Council.

The land is held in charitable trust by the Council, the registered charity being 'Charities for the maintenance of The City Hall Gardens and other charitable purposes in the City of Sheffield' (Charity Registration Number 260357).

- 1.2 Given the nature of the available access to the land and its configuration which directly separates it from the adjoining agricultural land, it is considered that the proposed purchaser is the only party who could benefit from using the land, and consequently sufficient for the Council to enter into a private treaty sale.

**2. What does this mean for Sheffield people?**

- 2.1 The proposed disposal will generate a capital receipt to be reinvested by the Charity in the maintenance of The City Hall Gardens and other charitable purposes in the City of Sheffield.

**3. Outcome and sustainability**

- 3.1 The disposal of the land for the purpose of a garden extension will result in vacant land being brought back into use.

**4. Property Implications**

- 4.1 In accordance with the Charities Act 2011 a Section 119(1) a Qualified Surveyor's Report dated 26 April 2013 has been prepared and attached for Cabinet's consideration. The Surveyor's Report advises that the offer represents best price and that it meets with the estimate of Market Value as defined by the latest Royal Institution of Chartered Surveyors Valuation

Professional Standards. The Council as Trustee must obtain best consideration for the disposal and any disposal should be on the basis as set out in the Surveyor's Report.

- 4.2 This report has been prepared in accordance with instructions from the Council that the interest to be conveyed will be leasehold for a term of 150 years. The lease shall also contain an absolute restriction on use which shall require the purchaser to use the land as a garden extension in conjunction with their adjoining land and for no other purpose whatsoever.

## **5. Financial implications**

- 5.1 The capital receipt generated from the disposal will be retained by the Council as Trustees of the Charity. The capital must be applied in accordance with the charitable objects as detailed in paragraph 1 of this report.
- 5.2 Further details of the financial arrangements that have been negotiated and agreed in principle are contained in Part Two.

## **6. Legal implications**

- 6.1 The legal implications relating to the charitable status are contained within the body of this report and inform the recommendations being made to Cabinet.

## **7. Human rights implications**

- 7.1 There are no specific human rights implications arising from the proposed sale.

## **8. Environmental and sustainability implications**

- 8.1 The proposed disposal will not result in any immediate change to the existing land other than it will be used within the existing garden of the adjoining property. The Heads of Terms agreed with the proposed purchaser prevent any development on the land, and consequently any future development would require the consent of the Council as landlord and planning authority which would take into consideration planning policy and sustainability requirements.

## **9. Equality of opportunity implications**

- 9.1 There are no specific equal opportunities implications associated with this report.

## **10. Alternative Options**

10.1 Should Cabinet not approve the disposal this would result in the loss of a capital receipt to the charity and the retention of maintenance liability.

10.2 The land could be advertised on the open market. However, given the nature of the available access to the land and its configuration which directly separates it from the adjoining agricultural land, it is considered that the proposed purchaser is the only party who could benefit from using the land. The land is of no agricultural value, and consequently it is considered that there is no advantage in advertising the proposed disposal on the open market via the local or wider press.

## **11. Reasons for recommendations**

11.1 The sale of the land will benefit the Charity and local community by:-

- Removing a maintenance liability
- Generating a capital receipt to be reinvested in the maintenance of The City Hall Gardens and other charitable purposes in the City of Sheffield.
- Achieving a premium that reflects the additional value of the site to the purchaser whilst preserving the use of the land, as a garden extension, for the term of the lease.

## **12. REASONS FOR EXEMPTIONS**

This report is presented as a partially closed item because Part 2 and extracts within the Surveyors Report in the Appendix contain exempt information under paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended). The reason for this exemption is because this contains information relating to the financial or business affairs of a particular person.

## **13. Recommendations**

It is recommended that Cabinet acting as Charity Trustees in accordance with the powers given to the Council as Trustee under the provisions contained in the Trusts of Land and Appointment of Trustees Act 1996:

1. Declare the land adjoining New May House Farm as surplus to the Charity's requirements.
2. Approve the disposal by long lease of land adjoining New May House Farm in accordance with terms of this report and a Surveyor's Report obtained in compliance with Section 119(1) Charities Act 2011, subject to the receipt obtained from the sale being applied in accordance with the objects of the Charity.

Authorise the Director of Capital & Major Projects to instruct the Director of Legal & Governance to prepare and complete all the necessary legal documentation in accordance with the agreed terms and Charity Commission requirements to conclude the disposal and to serve any notices required in connection with the disposal

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