



# SHEFFIELD CITY COUNCIL

## Executive Directors Report

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<b>Report of:</b>	Director of Housing & Neighbourhoods
<b>Report to:</b>	Laraine Manley (Executive Director of Communities)
<b>Date:</b>	6 <sup>th</sup> July 2015
<b>Subject:</b>	Declaring the property at Rivelin Lodge, Manchester Road, surplus to requirements.
<b>Author of Report:</b>	Andrew Kemp - 2735598
<b>Key Decision:</b>	NO
<b>Reason Key Decision:</b>	N/A

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**Summary:**

Rivelin Lodge is a vacant detached stone built three bedroom property built circa 1870-1900 in a conservation area. The property is set in a substantial plot of land in an isolated rural location, and is held for the purposes of Part II of the Housing Act 1985.

The property is in reasonable condition internally however the gardens are heavily overgrown and have not been maintained.

This report seeks agreement for the property at Rivelin Lodge, to be declared surplus to service requirements to allow disposal

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**Reasons for Recommendations:**

The sale of this property would make a significant capital receipt available to the Council which could be re-invested in a variety of Housing programmes including additional units to support the stock increase programme leading to a net increase in the stock. When this is set against the capital investment needed to

return the property to a fit state for letting, and the possible lack of demand for such an isolated property, the sale of the property is the most appropriate option.

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**Recommendations:**

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That the property at Rivelin Lodge be declared as surplus to enable to the disposal of the property.

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**Background Papers:**

Appendix 1 – Location map

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**Category of Report:      OPEN**

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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: Andrea Simpson
<b>Equality of Opportunity Implications</b>
NO
<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
<b>Area(s) Affected</b>
Rivelin
<b>Relevant Cabinet Portfolio Lead</b>
Cabinet Member for Homes and Neighbourhoods
<b>Relevant Scrutiny Committee</b>
<b>Is the item a matter which is reserved for approval by the City Council?</b>
NO
<b>Press Release</b>
NO

## **Report to the Executive Director of Communities**

### **Report Title - Declaring property at Rivelin Lodge, Manchester Road, surplus to requirements to enable disposal**

#### **1.0 SUMMARY**

- 1.1 Rivelin Lodge is a vacant detached stone built three bedroom property built circa 1870-1900 in a conservation area. The property is set in a substantial plot of land in an isolated rural location, and is held for the purposes of Part II of the Housing Act 1985.
- 1.2 The property is in reasonable condition internally however the gardens are heavily overgrown and have not been maintained.
- 1.3 This report seeks agreement for the property at Rivelin Lodge, to be declared surplus to service requirements to allow disposal

#### **2.0 WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE**

- 2.1 The disposal of this property will generate a capital receipt to the Council and contribute to housing priorities.

Liability for the property, in terms of repair and maintenance will pass on to the purchaser.

There would be no detrimental effect in disposing of the property as acquisitions can be made in better quality accommodation in areas where demand is proven.

#### **3.0 OUTCOME AND SUSTAINABILITY**

- 3.1 The outcome from this report will be to allow the disposal of the property on the open market for the best achievable price with the benefit of the generation of a substantial capital receipt to be reinvested into housing priorities.

#### **4.0 MAIN BODY OF THE REPORT**

Including Legal, Financial and all other relevant implications (if any)

- 4.1 Rivelin Lodge is situated in the rural area of Rivelin Valley at the side of Rivelin dams, and is very isolated from local amenities. It is located approximately 10 miles from the city centre within the boundary of the Peak District National Park.

Rivelin Lodge has been well maintained internally and is in a reasonable condition. No major structural defects were identified. Significant work was carried out as part of the Decent Homes programme in 2006. This work cost in the region of £23,000.

The gardens which surround the property on all sides are heavily overgrown and have not been maintained. Some areas are totally inaccessible due to the vegetation. There is a small pond built above ground level which would be hazardous to a family and would need to be drained and removed in order to make the property fit to let. There may be unforeseen ground works required after the overgrown vegetation is cut back.

The property is presently vacant having been let to the previous tenant since December 1978. The rent would be approximately £145 per week (£7,250 per annum).

The current condition of the property is such that it requires some investment to bring it up to the required standard. The works will mainly be outside to the garden areas, although some minor work is required internally. It should be noted that this property is located in a conservation area and any external works will be subject to the appropriate permissions, and may incur additional costs.

The property is located in an isolated rural location and demand for this type of property is difficult to assess and it may not be easily let. The property is not typical in type or location of a Council property nor does it fulfil a specific need. There are no other Council properties in the immediate area. The management and maintenance costs for this property could be higher than normal due to its isolated location in a conservation area.

There would be no detrimental effect in disposing of the property as acquisitions can be made of better quality accommodation in areas where demand is proven.

- 4.2 **Legal Implications:** The property is held for the purposes of Part II of the Housing Act 1985. The consent of the Secretary of State is needed to the disposal of such properties by virtue of section 32 of the Act. A general consent has been issued for the disposal of land for a consideration equal to its market value.

The disposal will be carried out in accordance with the Leader's Scheme of Delegation and statutory requirements.

- 4.3 **Financial Implications:** The Council will lose net rental income from the property. However this would be compensated as the sale would create a significant capital receipt that could be re-invested in housing priorities by contributing to increasing the supply of housing by way of acquiring or building additional new properties as part of the stock increase programme. This investment will lead to an overall net increase in the stock of more suitable properties which would offer better value for money.

## **5.0 ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 Not declaring the property surplus to service requirements and offering it for letting. The property is not typical in type or location of a Council property nor does it fulfil a specific need. There are no other Council properties in the immediate area and the Council would continue to carry the responsibilities for the management, maintenance and liabilities associated with letting an isolated property in a conservation area. The Council would lose the opportunity to obtain a capital receipt which could be used to invest in acquiring more suitable properties which would offer better value for money.

## **6.0 REASONS FOR RECOMMENDATIONS**

- 6.1 The sale of this property would make a significant capital receipt available which could be re-invested to support the stock increase programme leading to a net increase in the stock of more suitable Council properties. As such disposal of the property is the most appropriate option.

## **7.0 RECOMMENDATIONS**

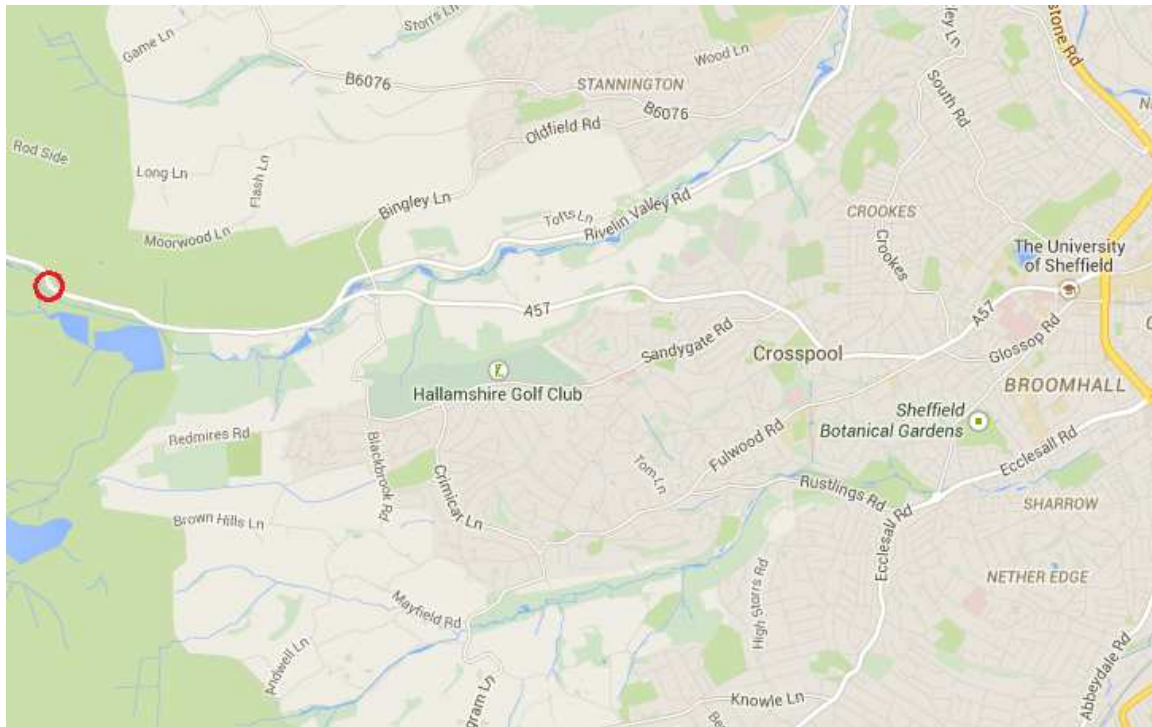
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- 7.1 That the property at Rivelin Lodge, Manchester Road be declared as surplus to Council requirements to enable disposal.

Author: Andrew Kemp

Job Title: Assistant Investment Manager, Asset Management Team

Date: 6<sup>th</sup> July 2015

## Appendix 1



Location of property.