



Author/Lead Officer of Report: Tammy Whitaker Head of Regeneration and Property Services

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Report of: Mick Crofts Executive Director Place
Report to: Cllr Cate MacDonald
Date of Decision: 1st September 2021
Subject: Sale of Land at Kettlebridge Road, Sheffield S9 3AJ

Is this a Key Decision? If Yes, reason Key Decision: -	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Expenditure and/or savings over £500,000		<input type="checkbox"/>		
Affects 2 or more Wards		<input type="checkbox"/>		
Which Cabinet Member Portfolio does this relate to? Finance				
Which Scrutiny and Policy Development Committee does this relate to? <i>Economic and Environmental Wellbeing</i>				
Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>				
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below: -				

Purpose of Report:

This report seeks agreement for the disposal of a surplus asset to Dearnside Fabrications, the current Tenant for continued use of storage of their fabricated balconies. Property Services have agreed a competitive sale price and require this to be progressed with Legal Services to complete the sale and disposing of the surplus asset.

Recommendations:

That approval be given for the sale of the Land at Old Woodchip Works, Kettlebridge Road, in line with this report.

That the Chief Property Officer in consultation with the Director of Legal and Governance prepare all necessary legal documentation in order to sell the land.

Background Papers:

- a) *Appendix A – Old Woodchip Works, Kettlebridge Road – Site Disposal Boundary*

Lead Officer to complete: -	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: Paul Schofield
	Legal: David Sellars/Lauren Daly
	Equalities: N/A
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	EMT member who approved submission: <i>Michael Crofts</i>
3	Cabinet Member consulted: <i>Cllr Terry Fox / Cate MacDonald</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.
	Lead Officer Name: <i>Tammy Whitaker</i>
	Job Title: <i>Head of Regeneration and Property Services</i>
	Date: <i>30 July 2021</i>

1. PROPOSAL

- 1.1 The site was previously used by Sheffield City Council as a storage site, however, it was deemed surplus to requirements and let to a local company, Dearnside Fabrications effective from July 2019 for 3 years with a break every 12 months.
- 1.2 During this period the Tenant has engaged with the Council and are keen to purchase the site.
- 1.3 Consideration was given to alternative uses of the site such as for housing but due to the location of the site and adjoining occupiers this was deemed unsuitable.
- 1.4 Detailed discussions have been undertaken and the proposed purchase via a private treaty sale at market value has been agreed. The Heads of Terms setting out the proposal are annexed to this report.
- 1.5 Given the above, officers consider it is reasonable to agree to dispose of the surplus property asset to the current Tenants Dearnside Fabrications as proposed, which supports a local business and jobs.

2. HOW DOES THIS DECISION CONTRIBUTE?

- 2.1 The site is owned by Sheffield City Council and is currently let to the proposed purchaser Dearnside Fabrications a local Sheffield company.

The sale will contribute to the continued use and growth of a local business and further supports their continued expansion within Sheffield and associated jobs.
- 2.2
- 2.3 The site has been considered for alternative use for the benefit of SCC including housing but this is not suitable for this site due to its location
- 2.4 A disposal of the site will reduce the Council's overall costs for retention as there is a large part of the site that is not currently let to Dearnside Fabrications which will be included in the sale. The part of the site is an overgrown banking with a number of trees and the maintenance costs are the Council's responsibility. Once this passes to the Purchaser, those costs will no longer sit with SCC.

3. HAS THERE BEEN ANY CONSULTATION?

3.1 There is no requirement to consult on the decision to dispose of the site.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

4.1.1 There are no Equality of Opportunity implications.

4.2 Financial and Commercial Implications

4.2.1 Disposal of the site will reduce the Council's overall costs for retention. There will however be a loss of £52,000 per annum in rental income and the Commercial Estate budget should be adjusted accordingly.

4.3 Legal Implications

4.3.1 The Council has a general power under Section 1 of the Localism Act 2011 to do anything that an individual may generally do provided it is not prohibited by other legislation and the power is exercised in accordance with the limitations specified in the Act.

4.3.2 Section 123 of the Local Government Act 1972 requires any disposal by a Local Authority of land to be for the best value obtainable.

4.3.3 The Council's Disposal Policy requires that interested parties should be allowed an equal opportunity to put forward a bid to lease or purchase surplus property. There is an exception to the need to market a sale if it is beneficial for the Council to negotiate with a special purchaser which includes a sitting tenant.

4.4 Other Implications

4.4.1 No implications other than those identified in this report.

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 The alternative option would be to do nothing and allow the current arrangement to expire. This would mean that SCC are still liable for additional maintenance costs and could be at risk of losing the current Tenant as they have indicated that they will not stay beyond their term and would exercise their next break option because they are looking to acquire a site.

5.2 Given that a competitive sale price has been agreed with the current Tenant, marketing of the site was not required as the Tenant falls within the category of a special purchaser under the Council's Disposal Policy.

- 5.3 Consideration was also given to alternative uses for the benefit of SCC such as housing however were discounted due to location and adjacent occupiers, which include a variety of manufacturing and warehouse occupiers such as Macro Wholesale Cash and Carry, Pimoroni, The Environment Agency and Jack Willis.
- 5.4 The site sits within CS5 of the Core Strategy, which defines this as Locations for Manufacturing, Distribution/Warehousing and other Non-office Businesses. Therefore, housing is not suitable.
- 5.5 Based on the current occupation of the existing business remaining within Sheffield, the approach of a disposal to the current Tenant was considered the preferred option as this meant they would retain their presence within Sheffield as they had considered relocating outside of the City due to a lack of alternative sites for them to acquire for their needs.

6. REASONS FOR RECOMMENDATIONS

- 6.1 The preferred option is to progress with the proposed method of disposal, whilst ensuring it also delivers the most appropriate outcomes for SCC both in terms of capital receipt and also mitigating current maintenance costs.
- 6.2 The preferred option also supports a local business to grow and strengthen their occupation within Sheffield whilst helping to maintain and grow jobs within the City.