

Report of : Head of Property Services
Report to : Chief Asset Management and Regeneration Officer
Date: 28 April 2014
Subject: 46/48 Gledhow Lane, Roundhay, Leeds, LS8 1SA

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s):	Roundhay	
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:	10.4(3)	
Appendix number:	1	

Summary of main issues

1. The subject property comprises two 2 bed flats – first floor flat (no.46) and ground floor flat (no.48). No.46 was disposed by way of a 125 year lease in March 2009 when vacant possession of the whole property could not be obtained.
2. Following the vacation of no.48, it is now proposed to declare 48 Gledhow Lane surplus to the Council's requirements and to approve terms, as outlined in the confidential appendix of this report, for the sale of 46/48 Gledhow Lane on a one to one basis to the leaseholder of 46 Gledhow Lane.

Recommendations

3. It is recommended that approval is given to declare 48 Gledhow Lane surplus to the Council's requirements and to approve terms, as outlined in the confidential appendix of this report, for the sale of 46/48 Gledhow Lane on a one to one basis to the leaseholder of 46 Gledhow Lane.

1 Purpose of this report

- 1.1 The purpose of this report is to seek approval to declare 48 Gledhow Lane surplus to the Council's requirements and to approve terms, as outlined in the confidential appendix of this report, for the sale of 46/48 Gledhow Lane on a one to one basis to the leaseholder of 46 Gledhow Lane.

2 Background information

- 2.1 The property, as shown on the attached plan, comprises a large detached house, which has been converted at some stage into two flats. No.46 is a first floor 2 bedroomed flat and no.48 is a ground floor 2 bedroomed flat. Each flat has its own driveway, garden and entrance door.
- 2.2 No.46 was previously occupied by a service tenant until their death. Upon its vacation a number options, relating to the possibility of gaining vacant possession of no.48 as well, were considered in order to sell both flats together to realise a higher capital receipt. It was determined, however, that any relocation of the service tenant of no.48 could not be achieved without either the loss of another receipt or the possibility of an extremely protracted attempt, which would have no guarantee of success, to relocate the tenant to another managed Council property. On this basis, it was decided to dispose of no.46 by way of a long lease and proposed that whenever vacant possession of no.48 was obtained the Council's freehold interest in both flats could then be sold.
- 2.3 The Chief Asset Management Officer gave approval on 16 January 2009 to dispose of no.46, by way of a 125 year lease at a peppercorn rent, on the open market by way of public auction. No.46 was marketed by way of public auction on 19 February 2009 and achieved £65,000, with the sale completing on 19 March 2009.

3 Main issues

- 3.1 No.48 became vacant in March 2011 following the departure of the service tenant, though the property was only formally declared surplus to service requirements on 8 November 2013 by the Head of Children's Service – Strategy and Commissioning.
- 3.2 Provisional terms for the sale of the freehold interest in the whole property (nos.46/48) to the existing leaseholder of no.46 have been agreed, as detailed in the confidential appendix of this report.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Ward Members were consulted by way of email on 28 February 2014 with regard to the proposal to sell the property to the existing leaseholder. Councillor Bill Urry replied on the same day to advise that he was very much in favour of selling the property to the existing leaseholder having been previously approached by the leaseholder and other neighbours. Councillor Urry felt this option would be the optimum solution for both the Council, which is likely to receive a higher return, and for the area as the new owner would then have an incentive to maintain the whole property. Councillor Christine Macniven replied on 1 March 2014 to also support the proposal. No reply was received from Councillor Ghulam Hussain, though he was copied in on Councillor Urry's reply, so it is presumed he has no objections.

4.2 Equality and Diversity / Cohesion and Integration

This proposal has no specific implications for equality, diversity, cohesion and integration.

4.3 Council Policies and City Priorities

- 4.3.1 The disposal will generate a capital receipt that will help contribute to the Council's Capital Programme, which supports a number of Council policies and city priorities.

4.4 Resources and Value for Money

- 4.4.1 The sale of the property will generate a capital receipt and release the Council from future maintenance liabilities, which includes levying ground rent payments and administering repairs rechargeable through a service charge.
- 4.4.2 The property is surplus to the Council's requirements and no operational reason has been identified to justify its retention. In these circumstances, its disposal represents prudent and economic asset management, obviating holding costs associated with managing the property and therefore supports best value objectives of the Council.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 Under Part 3 Section 3E Paragraph 2(a) of the Council's Constitution (Officer Delegation Scheme (Executive Functions)) the Director of City Development has authority to discharge any function of Executive Board in relation to the management of land (including valuation, acquisition, appropriation, disposal and any other dealings with land or any interest in land) and Asset Management.
- 4.5.2 The Chief Asset Management and Regeneration Officer has authority to take the decisions requested in this report under Executive functions 1 and 10 (specific to the Director of City Development) of the Director of City Development's sub delegation scheme.
- 4.5.3 The proposal constitutes a significant operational decision and is therefore not subject to call in.
- 4.5.4 The Head of Property Services confirms that the proposed method of disposal set out above is the method most likely to result in the Council achieving the best consideration that can reasonably be obtained under Section 123 of the Local Government Act 1972 (or under the Housing Act 1985).
- 4.5.5 The information contained in the Appendix attached to this report relates to the financial or business affairs of a particular person, and of the Council. This information is not publicly available from the statutory registers of information kept in respect of certain companies and charities. It is considered that since this information was obtained through one to one negotiations for the disposal of the property/land then it is not in the public interest to disclose this information at this point in time. Also it is considered that the release of such information would or would be likely to prejudice the Council's commercial interests in relation to other similar transactions in that prospective purchasers of other similar properties would have access to information about the nature and level of consideration which may prove acceptable to the Council. It is considered that whilst there may be a public interest in disclosure, much of this information will be publicly available from the Land Registry following completion of this transaction and consequently the public interest in maintaining the exemption outweighs the public interest in disclosing this information at this point in time. It is therefore considered that this element of the report should be treated as exempt under Rule 10.4.3 of the Access to Information Procedure Rules.

4.6 Risk Management

- 4.6.1 The risks associated with the proposed disposal are detailed within the confidential appendix attached to this report.

5 Conclusions

- 5.1 The report proposes that approval is given to declare 48 Gledhow Lane surplus to the Council's requirements and to approve terms, as outlined in the confidential appendix of this report, for the sale of 46/48 Gledhow Lane on a one to one basis to the leaseholder of 46 Gledhow Lane.

6 Recommendations

- 6.1 It is recommended that approval be given to declare 48 Gledhow Lane surplus to the Council's requirements and to approve terms, as outlined in the confidential appendix of this report, for the sale of 46/48 Gledhow Lane on a one to one basis to the leaseholder of 46 Gledhow Lane.

7 Background documents¹

- 7.1 None.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.