

**Report of : Head of Property Services**

**Report to :** i) **Director of City Development**  
ii) **Director of Environments and Housing**

**Date:** 8th September 2014

**Subject:** Land at King Lane, Moor Allerton, Leeds, LS17

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s):	Alwoodley	
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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:	10.4(3)	
Appendix number:1	1	

**Summary of main issues**

1. The subject site forms part of a larger area of Council owned land forming a corridor of open space adjoining King Lane in Moor Allerton which is vested with Neighbourhoods and Housing.
2. Part of the site (the extent of which is shown on the attached plan) lies within the adopted highway and comprises a bus turning circle.
3. Three local GP doctors' practices, Moorcroft, Nursery Lane and the local practice of Dr Feldman, currently provide medical services for around 15,000 patients in the Moor Allerton and Alwoodley area.
4. All three surgeries are in need of re-development and consequently the practices and their preferred developer partner, Abstract Developments, have approached the City Council with a site requirement of about 0.404 ha (1 acre) to provide a new combined medical centre to serve the locality.
5. The subject site has been identified as locationally suitable for the practices' catchment area and is well supported by good public transport and proximity to established facilities at the adjoining Moor Allerton District Centre.
6. NHS Leeds is supportive of the three practices and have determined that all three

medical practices should be combined into one new medical centre as a key priority and have allocated NHS capital funding for the development.

7. Local Ward Members are supportive of an initiative to re-provide the GP practices at this site.
8. The overall scheme is costed at £2.5m.
9. On the approval of the Chief Asset Management and Regeneration Officer, officers entered into one to one discussions with the Primary Care Trust (PCT) for an acquisition of the site for the proposal however funding uncertainties developed and uncertainty regarding the future of the PCT placed the project on hold.
10. A developer working in conjunction with the Practices is now proposing to acquire the site directly and develop the land on behalf of the surgeries who would occupy the property pursuant to a commercial leasing arrangement supported by NHS funding. Terms for a disposal have been discussed and it is now intended to seek to have the site declared surplus to Council requirements and to approve the terms of a proposed transaction.
11. The purpose of this report is:
  - i) to declare the site surplus to the operational requirements of Neighbourhoods and Housing by the Director of Neighbourhoods and Housing and
  - ii) for the Chief Asset Management and Regeneration Officer to note the changed position with regards to the intended provider of the facility, to have the site declared surplus to Council requirements and to seek approval to terms for the disposal of the site by way of a long lease to the developer on the basis detailed within the confidential appendix to this report.
  - iii) Approval is sought to proceed on the basis reported subject to the site being declared surplus to operational requirements by Neighbourhoods and Housing

## **Recommendations**

11. It is recommended that:
  - i) the Director of Neighbourhoods and Housing declare the site surplus to operational requirements and
  - ii) that the Chief Asset Management and Regeneration Officer notes the changed position with regards to the intended provider of the facility, declares the site surplus to Council requirements and approves the terms detailed within the confidential appendix for the disposal of the subject site ,with the transaction proceeding subject to the declaration sought from the Director of Neighbourhoods and Housing.

### **1 Purpose of this report**

#### **1.1 The purpose of this report is**

- i) to seek to have the site declared surplus to the operational requirements of Neighbourhoods and Housing by the Director of Neighbourhoods and Housing and

- ii) to seek the approval of the Chief Asset Management and Regeneration Officer to terms for the disposal of the subject site on the terms set out in the confidential appendix for development as a medical centre and ancillary retail pharmacy, subject to the site being declared surplus to the operational requirements of Neighbourhoods and Housing.

## **2 Background information**

- 2.1 The subject site is an open area of land which forms part of a large area of public open space adjoining King Lane, part of which forms a bus turning layby within the adopted highway.
- 2.2 The site footprint size is 0.404 ha (1.0 acre) approximately.
- 2.3 The City Council has been approached by a developer acting on behalf of three GP surgeries which combined provide medical services to approximately 15,000 patients in the Moor Allerton/Alwoodley area and who are seeking a site to develop a new combined single practice.
- 2.4 The subject site falls within locational criteria for a new practice to serve the surgeries' catchment area and benefits from good public transport and access, high visibility to the local population and is adjacent to existing local facilities.
- 2.5 The three existing medical practices are functionally poor and in need of re-development, however NHS Leeds has determined that re-development should be into one new medical centre. The proposal has been allocated NHS capital enabling funds as a key priority project.
- 2.6 The practices and the developer have advised that a number of other site options have been considered within the locality, however no suitable available sites have been identified.
- 2.7 On 31st January 2013 the Chief Asset Management and Regeneration Officer considered a report outlining the potential for the site as a medical centre and approved officers entering into one to one negotiations with the Primary Care Trust for an acquisition of the land with the outcome of those negotiations being the subject of a further report.
- 2.8 Since that time funding availability became uncertain and uncertainty in 2013 over the continuation of the Primary Care Trust, who were originally envisaged as the party who would acquire the site, resulted in the project being placed on hold.
- 2.9 The surgeries have however now engaged a commercial developer to acquire and develop the site on their behalf with the intention that the surgeries, supported by NHS funding, will take a commercial lease of the completed development.
- 2.10 Terms have been provisionally agreed with the developer, on a conditional basis, to acquire the site, solely for the purpose of development as a medical centre, retail pharmacy and ancillary related accommodation which are now reported for approval in the confidential appendix.

## **3 Main issues**

- 3.1 The proposed medical centre would be constructed over two storeys and offer approximately 1,300 sqm (14,000 sq ft) together with ancillary car parking and landscaping.

- 3.2 The site lies within an area of greenspace and part lies within the adopted highway. Discussions with planning officers regarding a proposal for this site are ongoing, however a use of the site for a community based use such as a medical centre, subject to detailed consideration of a proposal, is considered generally supportable at this location.
- 3.3 Initial discussions with Metro and planning officers regarding the bus turning head indicate that there are no objections, in principle, to its loss for development however a formal closure process including statutory consultation will be required to accomplish this.
- 3.4 The site vests with Neighbourhoods and Housing it is intended that the site be formally declared surplus to operational requirements to allow proposals for a disposal of the land progress.
- 3.5 Similarly it is intended that closure of the section of the public highway would be advanced at an early stage once a formal undertaking is received by the proposed purchaser with regard to the costs involved.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 Ward Members and the Executive Member for Transport and the Economy have been consulted on a proposed disposal of the land for development as a medical surgery and are fully supportive of an early disposal and development of the site for the purpose reported.

### **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 The provision of a new medical centre will provide combined and modern facilities to existing practices serving 15,000 patients in the locality. This will ensure continuation of existing services to the local community helping to improve healthcare provision within the city.
- 4.2.2 Well located modern premises will improve general accessibility to healthcare services in the area.

### **4.3 Council Policies and City Priorities**

- 4.3.1 A potential disposal of the site will generate a capital receipt supporting the Councils spending programme.
- 4.3.2 Although part of the site lies within the adopted highway and within an area of greenspace, a disposal and development of the site for a community based use would serve broader Council healthcare and social wellbeing objectives to the local community.

### **4.4 Resources and Value for Money**

- 4.4.1 The terms reported for approval have been negotiated on a commercial basis ensuring that the City Council obtains value for money and best consideration from the disposal of the asset.
- 4.4.2 The options available are:-

- i) **Option 1** – that the Council does not proceed with a disposal of the site. This however would not generate any of the benefits outlined above in paragraph 4.3, benefits which are only deliverable from this site in the exceptional circumstances permitting development of the site for this particular type of proposal for the land.
- ii) **Option 2** – that the Council proceeds to progress the disposal on the conditional basis proposed in the confidential appendix and secure those benefits outlined above.
- iii) **Option 3** – the Council could attempt to bring the site forward for a disposal on the open market. It is considered that marketing of the site on the open market will, however, not improve on any receipt because of the highly limited potential for this type of use for the site.

4.4.3 It is recommended that option 2 is pursued.

## **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 an administrative decision and is therefore not subject to call in.

4.5.4 The Head of Property Services confirms that in his opinion the financial consideration proposed for the acquisition of the site represents the best consideration reasonably obtainable for the property required pursuant to the Councils legal obligations under S123 of the Local Government Act 1972 (or the Housing Act 1985).

## **4.6 Risk Management**

4.6.1 The offer to acquire the site is subject to a number of conditions which are to be fulfilled prior to completion of the proposed transaction. These relate to obtaining planning consent, legal closure of the section of highway within the site, and ground investigations and are considered in the confidential appendix.

## **5 Conclusions**

5.1 The report seeks

- i) the site is declared surplus to operational requirements by the Director of Neighbourhoods and Housing and
- ii) the Chief Asset Management and Regeneration Officer formally declares the site surplus to requirements and approves the terms for its disposal to the party set out in the confidential appendix to this report. Such approval to

proceed being given subject to the site being declared surplus to operational requirements by the Director of Neighbourhoods and Housing

## **6 Recommendations**

- 6.1 It is recommended that:
- 6.2 the Director of Neighbourhoods and Housing declare the site surplus to operational requirements and
- 6.3 that the Chief Asset Management and Regeneration Officer notes the changed position with regards to the intended provider of the facility, declares the site surplus to Council requirements and approves the terms detailed within the confidential appendix for the disposal of the subject site with the transaction proceeding subject to receipt of the declaration sought above from the Director of Neighbourhoods and Housing.

## **7 Background documents<sup>1</sup>**

- 7.1 None.

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<sup>1</sup> 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.