

Report of : Land and Property Services

Report to : Chief Asset Management and Regeneration Officer

Date: 22 September 2014

Subject: Burley Liberal Club, Burley Road/Willow Road, Leeds, LS4

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): Hyde Park & Woodhouse		
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 purpose of this report is to seek approval to enter into one to one negotiations for sale of the site to a purchaser nominated by the existing long term tenant.
2. The subject site was declared "surplus to requirements" by the Executive Director of Environment and Housing on 3 February 2014.
3. In the event that terms are provisionally agreed, then this will be reported to the Chief Asset Management Officer for approval.

Recommendations

4. It is recommended that the Chief Asset Management and Regeneration Officer gives approval to enter into one to one negotiations for the sale of the subject land to a purchaser nominated by the current long term tenant , provisional terms to be reported back in due course.

1 Purpose of this report

- 1.1 The purpose of this report is to seek approval to enter into one to one negotiations for sale of the land to the appointed nominee.

2 Background information

- 2.1 The site of Burley Sports and Social Club (highlighted on the attached plan) is vested with Environment and Housing. This 0.51ha (1.27 acres) site is leased on a ground rent to the current leaseholder. The lease expires in 2051.
- 2.2 Burley Sports and Social Club ceased trading approximately 3½ years ago and as a result, the building has deteriorated. The site is sandwiched between two major junctions on Burley Road and Kirkstall Road. Access into the site is taken off Willow Road and there is a train line running along the eastern side of the site, shown on the attached plan. The Club was built in 1966 on a former slum clearance site.
- 2.3 The development potential of the site is limited in part by its close proximity to two major road junctions. Additional site constraints include the rugby training ground, part of which is within the leased area. If the site is redeveloped, Sport England would probably want to see re-provision or investment in local sports pitches. There is also a possibility that there might be in filled cellars and land contamination as the club was built on a former slum clearance site, which included both residential and industrial units.
- 2.4 A legal agreement signed off in October 2008, provided an option for the leaseholder to sell the site, where the Council is legally obliged to undertake a joint disposal of the freehold interest. This will involve sharing the capital receipt on a 50/50 basis with the leaseholder, after the deduction of all marketing costs, legal expenses and other abnormal costs.
- 2.5 The current leaseholder has now nominated a local property company as the preferred purchaser to bring forward more detailed proposals in consultation with planning and highway officers.

3 Main issues

- 3.1 Burley Sports and Social Club, the freehold of which is vested with Environment and Housing has ceased trading. The leaseholder wishes to undertake a joint disposal of the site with the Council.
- 3.2 The current leaseholder has however been unable to market the site due to planning and highway constraints. He has attempted to bring forward a number of development proposals but these have failed to secure a satisfactory scheme due to the planning and highway constraints that affect the development of the site. The nominated purchaser is prepared to progress more detailed designs and studies to bring forward development on the site. The finally agreed sale figure will reflect the proposed use for which planning consent could be obtained.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Local Ward Members, Area Management and West Homes Leeds were consulted on the proposed disposal of the site in February 2014 and no objections were received.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An equality, diversity cohesion and integration screening exercise has been carried out. This has affirmed that equality, diversity, cohesion and integration considerations have been effectively considered in relation to this proposal and that a full impact assessment was not required.

4.3 Council Policies and City Priorities

- 4.3.1 If the proposed sale proceeds it would generate a capital receipt for the Council.

4.4 Resources and Value for Money

- 4.4.1 The joint disposal of the site would generate an income for the Council and resolve the matter of an empty building that is deteriorating on a prominent site in the city.

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 decision and is therefore not subject to call in.
- 4.5.4 The Head of Land and 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 joint sale of the land would alleviate the Council from possible future maintenance liability and generate an income for the Council.

5 Conclusions

- 5.1 The Department of Environment and Housing has no operational use for the site of Burley Sports and Social Club, highlighted on the attached plan.
- 5.2 The proposed sale of this land would generate a capital receipt for the Council.

6 Recommendations

- 6.1 It is recommended that the Chief Asset Management and Regeneration Officer gives approval to enter into one to one negotiations for the sale of the land to a purchaser nominated by the current long term tenant , provisional terms to be reported back in due course.

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.