

Agenda Item No:

Report author: Ruth Rutter

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**Report of:** Head of Land and Property

**Report to:** Chief Officer for Economy and Regeneration

**Date:** July 2016

**Subject:** SITE OF FORMER LIBERAL CLUB, HEDLEY CHASE, NEW WORTLEY, LS12 1YL

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s):	Armley	
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	

### Summary of main issues

1. The purpose of this report is to seek approval to enter into one to one negotiations with St George's Crypt (Development) CIC for the sale of this site at open market value for development of affordable housing.
2. Outline planning permission for residential development was granted on 1 April 2015 with an indicative scheme of 4 units.
3. The site was offered on the open market by informal tender and offers invited by 14 July 2015. However an offer was not received that could be recommended for acceptance and on 5 February 2016 the Director of Development approved sale of the site at auction.
4. St George's Crypt are particularly interested in developing this site for affordable housing, due to the location of the site and proximity to a number of existing clients who they intend to rehouse into any new scheme developed at the site and therefore it is proposed to enter into one to one negotiations for the sale of the site to St Georges Crypt..
5. It should be noted the former Liberal Club was demolished in 2005/6 at a cost of £29,455 funded from Inner West Area Committee. A clawback arrangement was put in

place which sees the full demolition cost being repaid to the Area Committee upon disposal of the land.

## **Recommendations**

6. It is recommended that one to one negotiations are undertaken with St George's Crypt for the sale of this site at open market value for development of affordable housing.
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### **1 Purpose of this report**

- 1.1 The purpose of this report is to seek approval to enter into one to one negotiations with St George's Crypt (Development) CIC for the sale of this site at open market value for development of affordable housing.

### **2 Background information**

- 2.1 The site of the former Liberal Club is shown by black outline on the attached Plan no. 16211/C. It has a site area of 0.205 ha (0.51 acres) or thereabouts. It is located and accessed through an area of Council housing and is close to HMS Prison Leeds.
- 2.2 The former Liberal Club on this site was demolished in 2005/6 at a cost of £29,455 funded from the Inner West Area Committee. The site was levelled and has rough vegetation. A clawback arrangement was put in place for the funding to be repaid to the Area Committee upon disposal of the land.
- 2.3 Environment and Neighbourhoods were originally proposing to promote comprehensive development of various sites in New Wortley. However, the prevailing economic conditions made this approach unviable and it has been considered that redevelopment is more likely to be achieved on a piecemeal basis.
- 2.4 The disposal of this site and overall development approach has been proposed by the Environment and Neighbourhoods and supported by the West Gateway Programme and Ward Members.
- 2.5 Outline planning permission for residential development was granted on 1 April 2015. An indicative scheme showing 4 no. dwelling units has been prepared.
- 2.6 Offers were sought by informal tender to enable offerors to submit an offer subject to full planning permission for their scheme and a closing date for offers was set for 12 noon on Thursday 14 July 2015. However an offer was not received that could be recommended for acceptance.
- 2.7 On 5 February 2016 the Director of Development approved that the site be offered for sale at auction.
- 2.8 It is now proposed to enter into one to one negotiations for the sale of the site to St Georges Crypt due to the reasons outlined below.

### **3 Main issues**

- 3.1 The land is vacant and no other Council use has been identified.

- 3.2 Clear title to the site is being obtained with an application for a release of a historic charge on the title by National Westminster Bank.
- 3.3 St George's is a third sector organisation and is listed on the Leeds Affordable Housing Framework, as a number of criteria are fulfilled in relation to the provision of Affordable Housing. Their addition to the framework was supported by the Housing Growth Board in July 2014.
- 3.4 St George's Crypt is currently undertaking an active site search across the City linked to the location of current clients and service provision and has approached the Council regarding the purchase of this site at market value. St George's intention is to develop a scheme of c18 self-contained apartments for their clients, as well as providing support and outreach to a number of other clients who live in the locality.
- 3.5 Right to Buy Replacement Funding is intended to be utilised to support St George's development costs. This will be used alongside their own funding resources and money generated through fundraising activities. From estimates, it's likely that development cost would be in the region of £2.4m and would therefore potentially commit up to £580k of Right to Buy funding. The Council is under significant pressure to spend RtB monies due to the time deadlines associated with spend and current limited number of new schemes coming forward to the programme which could spend within the given timescales.
- 3.6 With regards to the existing outline planning permission on the site, colleagues in Planning Services feel that there is scope for an apartment development with an increased density to that of the existing permission. A planning pre application is yet to be submitted and further advice would be provided as part of this process.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 Ward Members were consulted on 14 November 2012. They supported the proposals to sell the site for housing and are looking for a reimbursement of the cost of demolition of the Liberal Club building to the Inner West Area Committee. They have been informed about the proposal of offer the site for sale at auction on 4 December 2015.
- 4.1.2 Ward Members have been consulted on 15 July 2016 regarding the proposed sale and development by St George's Crypt at this site. Cllr Lowe thanked for the update. Cllrs McKenna and Smart have not responded.

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

- 4.2.1 There are no equality issues arising from the proposal.

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

- 4.3.1 The development of the subject site for houses helps to maximise Housing Growth, which is a priority in the Best Council Plan and one of the councils Breakthrough Projects.
- 4.3.2 The development of the site for affordable housing by a Third Sector housing provider supports Council Policies.

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

- 4.4.1 The sale will generate a capital receipt, provide much needed new affordable housing units and utilise the Council's Right to Buy Replacement Funding.

#### **4.5 Legal Implications, Access to Information and Call In**

- 4.5.1 Under Part 3, Section 3E(g) of the Council's Constitution (Officer Delegation Scheme (Executive Functions)) the Director of City Development has authority to discharge any function of the Executive in relation to Asset Management.
- 4.5.2 The Chief Officer Economy and Regeneration, Head of Asset Management and Head of Land and Property have authority to take decisions in relation to Asset Management as delegated in 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 Land and Property 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).

#### **4.6 Risk Management**

- 4.6.1 The negotiations with St George's Crypt for the sale of this site will be on the basis that the site will be sold at its market value. It should be noted that the Right to Buy grant funding towards development has time limitations and therefore St George's are keen to progress the purchase and development at the earliest opportunity. The Council will work with St Georges Crypt to achieve a disposal within these timescales

#### **5 Conclusions**

- 5.1 It is concluded that one to one negotiations commence with St George's Crypt (Development) CIC for the sale of this site at open market value for development of affordable housing.

#### **6 Recommendations**

- 6.1 It is recommended that one to one negotiations are undertaken with St George's Crypt (Development) CIC for the sale of this site at open market value for development of affordable 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.