

Agenda Item No:

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

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

**Date:** 28th July 2016

**Subject:** Former Social Services Office Site, Roundhay Road, Leeds

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s):	Chapel Allerton	
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 subject site, as identified on the attached plan, comprises a vacant council owned piece of land on Roundhay Road located on the boundary of Chapel Allerton and Gipton & Harehills wards.
2. The site is being considered in two parts, an education site to the north and a co-housing development to the south.
3. It is the intention of the Council to promote the subject site (shown on the attached plan) for a cohousing scheme.
4. In order to achieve the above, it is recommended that the Council enter into one to one negotiations and a 12 month exclusivity agreement with the party named in the confidential appendix to enable them to work up proposals and seek planning permission and further funding.

### Recommendations

5. It is recommended that the council enters into a 12 month exclusivity agreement and one to one negotiations with the party named in the confidential appendix to enable a disposal of the subject site. This disposal will be at market value.

## **1 Purpose of this report**

1. The purpose of this report is to recommend that the following are entered into with the party named in the confidential appendix:
  - A 12 month exclusivity agreement
  - One to one negotiations, for the disposal of the subject site, with provisionally agreed terms being reported back to seek approval to them.

## **2 Background information**

1. The site originally housed the social services offices before vacation in 2014. Following approval of a demolition order in early 2016 the demolition works have commenced with completion expected in August 2016.
2. The named party have made representations to the council, including Executive Members to redevelop part of the site for a cohousing development consisting of a low cost, high density urban community. Progress of this matter stalled whilst the site was under consideration for a school, however, the area required for the school has now been confirmed and has dictated the boundaries defined in the attached plan.
3. The subject site totals approx. 1.0Ha. This area exceeds the requirements for the named party's circa 30 unit scheme. Upon completion of the sale of the freehold, it is the intention of the named party to sell 999 year leases to other parties (as identified in the confidential appendix) to enable other parts of the site to be developed for different housing provision which the Council is supportive of.

## **3 Main issues**

1. The purpose of this report is to seek approval to enter into a 12 month exclusivity agreement and one to one negotiations with the named party for the disposal of the subject site at market value.
2. The named party are in the process of setting up an entity in which to purchase the land. The name of the entity is still to be agreed and it should be noted that the named party may not be the party with whom the Council ultimately contracts with. This will form part of the negotiations and be reported back for approval / comment.
3. The sale would be subject to obtaining satisfactory planning permission. It is the intention that one application is made for the whole of the site that integrates all residential end users. A single design team are to be appointed to ensure continuity throughout the site.
4. The sale would also be dependent on satisfactory access being achieved for both the school and subject sites. Access options are currently being considered. It would not be our intention to dispose of the adopted highway access to the site from Leopold Street as this is also relied upon by the health centre.
5. For grant funding purposes, the named party must be onsite by March 2018. Allowing for a six month grace period a back stop sale date of October 2017 is proposed. A Planning application is intended to be submitted in early 2017 in order to meet the aforementioned target dates. The named party have requested Heads of Terms be drafted and agreed by September 2016.

6. The land will be sold for market value, therefore best consideration is to be given.

## **4 Corporate Considerations**

### **1. Consultation and Engagement**

- 4.1.1 Councillors Jane Dowson, Mohammed Rafique and Eileen Taylor, members for the Chapel Allerton Wards were consulted regarding the proposal on 19<sup>th</sup> July 2016.
- 4.1.2 Councillor Eileen Taylor responded with no comments.
- 4.1.3 Councillor Jane Dowson has not respond with comments regarding the education site only.
- 4.1.4 Councillor Mohammed Rafique has not responded.
- 4.1.5 The Executive Member for Regeneration, Transport & Planning has been briefed on the proposals outlined above and is supportive

### **2. Council Policies and the Best Council Plan**

- 4.2.1 The proposals outlined within the report support the Best City outcomes of providing enough homes of a high standard in all sectors and supporting communities, raising aspirations.
- 4.2.2 Work undertaken on the delivery of affordable housing and co-housing forms part of the remit of the Breakthrough project of Housing Growth and High Standards in all Sectors.
- 4.2.3 The delivery of new housing that is affordable and meets local needs underpins the Council ambition of creating a strong economy and a compassionate city

### **3. Resources and Value for Money**

- 4.3.1 The site will be sold at market value for best consideration.

### **4. Legal Implications, Access to Information and Call In**

- 4.4.1 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.
- 4.4.2 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.
- 4.4.3 The proposal constitutes a significant operational decision and is therefore not subject to call in.
- 4.4.4 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

## **5. Risk Management**

- 4.5.1 If the land is not sold to the named party the site will be marketed for sale.
- 4.5.2 There is a risk that the named party may withdraw their interest.
- 4.5.3 There is a risk that satisfactory planning permission may not be obtained.
- 4.5.4 A sale price may not be agreed, but this is a risk with every property transaction.
- 4.5.5 There is a risk that satisfactory access may not be agreed. This risk is primarily centralised around the loss of N6 designated playing field adjacent to the site access off Leopold Street.

## **5 Conclusions**

- 1. The sale of the land at market value will maximise the capital receipt.

## **6 Recommendations**

- 7 It is recommended that the council enters into a 12 month exclusivity agreement and one to one negotiations with the party named in the confidential appendix to enable a disposal of the subject site. This disposal will be at market value.  
Background documents<sup>1</sup>

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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.