

Report of : Commercial Asset Management

Report to: Chief Officer of Property and Contracts

Date: 24th October 2016

Subject: Lock Up Shop Premises at 27 Holdforth Place, Leeds, LS12 1YG: Tenancy Surrender and Proposed Demolition

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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:		
Appendix number:		

Summary of main issues

To request the Chief Officer of Property & Contracts to accept the Surrender of the current Tenancy and to declare surplus and grant permission to demolish the vacant commercial premises at 27 Holdforth Place Leeds LS12 1YG.

Recommendations

It is recommended that approval be granted to accepting the Surrender of the current Tenancy and to declare surplus and demolish the vacant commercial premises at 27 Holdforth Place, Leeds LS12 1YG.

Purpose of this report

- 1.1 To outline the reasoning behind the request to seek approval to declare the premises surplus and to demolish.

2 Background information

- 2.1 The property was constructed in the mid 1970's. It is a stand alone single storey unit (153 sqm / 1,641 sq ft) built of brick with a pitched tiled roof.
- 2.2 The property is located in the Clyde Court Estate of predominately social housing and is in close proximity to Leeds Prison in Armley. The area was densely

populated until 2010 when it was subject to a housing clearance project undertaken as part of the West Leeds Area Action Gateway Plan. The intention of this was to attract Developers proposing to supply new higher spec social housing to replace the demolished homes but due an economic downturn nothing was developed. This left a large area of undeveloped pedestrianized land surrounding the property at 27 Holdforth Place.

- 2.3 This resulted in a significant drop in trade and a rise in the level of anti-social behaviour in the area. A 50% rent concession was granted in March 2010 which was reviewed in April 2015 and further granted until March 2017.
- 2.4 The current tenant acquired a tenancy agreement from Leeds City Council in March 2015 for the property at 27 Holdforth Place. In November 2015 the tenant was suffering from ill health and appointed two new managers to run the business in his absence.
- 2.5 Under the supervision of the new managers the business started to attract the local youths from the surrounding social housing and the property had become a hub for anti-social behaviour. In July 2016 there was a major incident when police officers attending the site came under attack from 30-40 youths and adults throwing missiles, rocks and bricks at police vehicles outside the shop.
- 2.6 A Premises Closure Order was granted by Leeds Magistrates' Court on the 21st July 2016 affecting the premises at 27 Holdforth Place following evidence put forward by the Police, statements from Anti-Social Behaviour Officers and local residents from the surrounding housing estate. The Closure Order was granted for a period of three months and the property had to be secured with steel sheeting to prevent burglaries and further damage to the property.
- 2.7 We received a letter from the tenant in August 2016 wishing to surrender his tenancy agreement back to Leeds City Council.
- 2.8 In August 2016 Leeds City Council coordinated with West Yorkshire Police to arrange a meeting at 27 Holdforth Place when the steel sheeting was removed and access was given to the tenant to remove their equipment and material from the premises and the property is now vacant.

3 Main issues

- 3.1 Following the demolition of over 38 houses in the surrounding area in 2010 trade fell significantly and the surrounding pedestrianized area has attracted anti-social behaviour.
- 3.2 In 2010 a 50% rent concession was granted to compensate for the loss of trade in the area due to the lack of redevelopment. This was reviewed in March 2013 and April 2015 and would be due to be reviewed again in 2017.
- 3.3 The current tenant appointed two new managers in November 2015 to run the shop in his absence. However the shop was clearly mismanaged as local residents from the surrounding housing complained that the shop was never fully

stocked and the managers welcomed the local youths into the premises making it a hub for anti-social behaviour in the area.

- 3.4 In July 2016 West Yorkshire Police put evidence forward to Leeds Magistrates' Court who granted a Premises Closure Order for a period of three months with a view to reapply when the current one expires.
- 3.5 We received a letter from the tenant in August 2016 wishing to surrender his tenancy back to Leeds City Council. The shop has been emptied of its contents and is now vacant.
- 3.6 Since the property has been vacant, West Yorkshire Police have notified us of numerous attempted break ins by the local youths and the premises has needed securing on multiple occasions.
- 3.7 In October 2016 we were notified by the police that there had been a fire at the premises which required the fire brigade to be called out. This has left internal damage to a large portion of the property.
- 3.8 During the last 6 years the City Council has had to reduce the current rent passing by 50% (see confidential appendix). This was due to the lack of trade for the business on the estate following the demolition of Council Houses in the locality.
- 3.9 Since the premises has become vacant following the Closure Order the Council have spent £2,100 on security and maintenance for the premises and West Yorkshire Police have reported the internal shell of the building is 70% damaged following the fire in October 2016. The cost to put the building back into a useable condition would be in the region of £20,000 to £30,000 and this would not necessarily guarantee that a commercial tenant would occupy the building as we believe it is commercially redundant following the Closure Order and the alcohol licence being revoked.
- 3.10 The cost of demolition has been quoted by Construction Services as £26,000 and that the building could be demolished within 6 weeks.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The three local ward members have been approached to seek their approval for this recommendation and we have received their agreement.

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 There are no specific implications for Council Policies and City Priorities

4.4 Resources and value for money

- 4.4.1 If the decision is taken to declare the property surplus and demolish, the Council will forego the current rent passing (see Confidential Appendix 1). The loss of rent is to be negligible, on the other hand if the premises are to remain there will be costs accumulated to maintain and secure the empty premises. Demolition and remediation has been costed at approximately £26,000 and it is anticipated that this will be funded from the capital budget.
- 4.4.2 Potential alternative uses for the property such as community use would be dependent on finding an organisation that has sufficient funding to internally alter the premises and take on all the ongoing repairing liabilities and utility costs. We would not recommend that the Council take on these liabilities as other community provision in the area should be utilised more effectively to provide any additionally identified community needs. Similarly if the premises were to be considered for use as office accommodation for an Area Support Team, the costs of fitting out and supply of I.T infrastructure may prove prohibitive.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 There are no known Legal implications.

4.6 Risk Management

- 4.6.1 If the Council were not to declare surplus and demolish the property, and no economically feasible alternative uses were found, the Council will incur the ongoing maintenance and security costs and have to deal with the inevitable threat of the anti-social behaviour in the area which will also affect the residents in the surrounding social housing and require intervention from West Yorkshire Police.

5 Conclusions

- 5.1 Due to the lack of redevelopment following the scheme to demolish 38 houses in the surrounding area, even with the rent reduction granted in 2010, the shop was still barely viable and in our opinion commercially redundant.
- 5.2 In November 2015 when the tenant appointed the managers to run the shop, the mismanagement meant that the shop was not beneficial to local residents due to its lack of stock and local youths were welcomed into the shop encouraging the anti-social behaviour and vandalism.
- 5.3 The tenant has submitted a letter of surrender and the property is now under a Premises Closure Order leaving it vacant and in need of constant attention and securing to prevent criminal damage. West Yorkshire Police are worried the premises has now become a hazard to the local area.

6 Recommendations

- 6.1 It is recommended that taking into account the negative implications of the property remaining unoccupied for the foreseeable future, that approval be granted for the tenancy to be surrendered back to the Council and the property be declared surplus and demolished with the site to be remedied using the capital budget to fund the demolition quote of £26,000.

7 Background documents¹

- 7.1 EIA Screening Document
- 7.2 Location Plan
- 7.3 Photographs
- 7.4 Confidential Appendix 1

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.