

Agenda Item No:

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**Report of:** Land and Property  
**Report to:** Director of City Development  
**Date:** 13 June 2017  
**Subject:** Acquisition for 27 Wakefield Road, Drighlington, BD11 1DH  
**Capital scheme number:** 32768/000/000

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s):	Morley North	
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. Drighlington Amateur Rugby League Football Club (DARLFC) wishes to move from their existing clubhouse which they own to the Council-owned Drighlington Meeting Hall. Executive Board gave approval on 15 July 2015 to provide grant funding to DARLFC to facilitate the refurbishment of the building, which will also house a community-run library.
2. This report proposes that the Council acquire unconditionally DARLFC's existing clubhouse site and negotiate a sale of this land, together with an adjoining piece of Council-owned land, to a residential developer named in the confidential appendix. The combined site would serve as access land to third party owned land over which the developer has an option to acquire subject to planning permission for residential development.

## Recommendations

3. The Director of City Development is requested to:
  - a) Approve the acquisition of the freehold of 27 Wakefield Road, Drighlington, on terms detailed in the confidential appendix.

- b) Give authority to spend the sum detailed in the confidential appendix.
  - c) Enter into one to one negotiations for the sale of the combined Council and DARLFC owned site to the residential developer named in the confidential appendix, with terms to be reported back.
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## **1 Purpose of this report**

1.1 The purpose of this report is to seek approval to:

- a) Acquire the freehold of 27 Wakefield Road, Drighlington, on terms detailed in the confidential appendix.
- b) Give authority to spend the sum detailed in the confidential appendix.
- c) Enter into one to one negotiations for the sale of the combined Council and DARLFC owned site to the residential developer named in the confidential appendix, with terms to be reported back.

## **2 Background information**

- 2.1 The property, as shown as X on Plan 1, is currently owned by the trustees of Drighlington Amateur Rugby League Football Club (DARLFC) and used as their clubhouse and changing facilities. This area measures approximately 977 sq m (0.24 ac).
- 2.2 The adjoining land, shown as Y on Plan 1, is owned by the Council and is presently occupied by DARLFC under a tenancy at will and used as a car park. This area measures approximately 950 sq m (0.23 ac). The combined site of Area X & Y measures approximately 1,927 sq m (0.47 ac).
- 2.3 DARLFC's existing clubhouse is remote from the playing pitches and it is intended that the club will move nearer to the pitches on Drighlington Moor. To facilitate this move, Executive Board gave approval on 15 July 2015 to a community asset transfer of Drighlington Meeting Hall to DARLFC on a 50 year full repairing and insuring lease, contracted within the terms of the Landlord & Tenant Act 1954 at nil premium and a peppercorn rent. Approval includes Council grant support of £44,260 over 4 years to be funded from the Council saving on running costs. The Hall is to be extended and refurbished by DARLFC at an estimated cost to them of £218,296. Plan 2 shows DARLFC's existing clubhouse as A, Drighlington Meeting Hall as B and their playing fields as C.
- 2.4 DARLFC will be required to make the Hall available to the local community and run as a community centre. DARLFC will continue to lease space to Drighlington Library (operated by volunteers) for nil rent, although the library group will have to cover utility costs.

## **3 Main issues**

- 3.1 To fund the cost of the works to the Hall, DARLFC need to sell their existing clubhouse. It was originally proposed that the Council market the clubhouse jointly with the Council's adjoining land and split the proceeds equally.

- 3.2 The combined site backs on to an area of land (10.77 hectares) which is allocated in the Site Allocations Plan for housing in Phase 3 for 250 units, shown in part as Area Z on Plan 1 and in more detail on Plan 3. A residential developer, named in the confidential appendix, has an option in their favour to acquire the balance of Area Z (circa 9 hectares) from a third party.
- 3.3 The residential developer recently obtained planning permission for 42 units on a nearby site on King Street, Drighlington, which would serve as access to Area Z. This site at King Street already forms part of the Site Allocations Plan for King Street/Spring Gardens, as shown hatched on Plan 3. That access point, however, would in isolation provide insufficient highway capacity to develop the remaining 9 hectares of Area Z. A combined site of Areas X & Y could provide an alternative access point to serve Area Z, which would maximise the development potential and value of Z. Area X & Y appears to therefore have some ransom value.
- 3.4 Informal discussions between the Council and the residential developer have taken place regarding a conditional sale of Area X & Y, subject to planning permission for development of Area Z and use of Area X & Y as access. Further details of those discussions are given in the confidential appendix.
- 3.5 Given that DARLFC wish to move into Drighlington Meeting Hall sooner rather than later, it is proposed that the Council acquire Area X for the sum detailed in the confidential appendix. This sum, together with the Council's grant approved by Executive Board, can then be used by DARLFC to cover the cost of the works to the Hall. It is proposed to capitalise the grant funding, rather than distributing this over four years as set out in the Executive Board report. This proposal provides DARLFC with a guaranteed sale price and facilitates their move to the Meeting Hall.
- 3.6 Under this proposal, DARLFC would remain in occupation of their existing clubhouse on a tenancy at will at nil rent for a maximum of 12 months or until work is completed on the Hall when they would vacate.
- 3.7 Since any deal with the residential developer would be conditional on planning permission, the application could be considered whilst DARLFC are undertaking works to the Hall and still in occupation of their clubhouse. This would reduce the risk to the Council of being left with a vacant property. In the event of a delay or refusal of planning permission, the Council would still be left with a site it could sell on the open market as an in-fill residential site which should recover the value paid to DARLFC.
- 3.8 It is therefore proposed and recommended that the Council give approval to:
- a) Acquire the freehold of 27 Wakefield Road, Drighlington, on terms detailed in the confidential appendix.
  - b) Give authority to spend the sum detailed in the confidential appendix.
  - c) Enter into one to one negotiations for the sale of the combined Council and DARLFC owned site to the residential developer named in the confidential appendix, with terms to be reported back.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 Morley North Ward Members have been involved through the development of the proposal and are supportive. A meeting was held on 12 August 2016 with DARLFC, Councillor Robert Finnigan and the Council to discuss the proposal outlined in this report.
- 4.1.2 The Executive Member for Regeneration, Transport and Planning was consulted on 10 October 2016 regarding the proposal outlined in this report and was supportive.
- 4.1.3 Drighlington Parish Council led on consultations with the local community prior to the Executive Board report of 15 July 2015, in which it was noted that the Parish Council was supportive of the Community Asset Transfer of the Meeting Hall to DARLFC.

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

- 4.2.1 There are no equality, diversity, cohesion or integration implications arising from this proposal.

### **4.3 Council Policies and the Best Council Plan**

- 4.3.1 The acquisition of the land will facilitate the proposed Community Asset Transfer of the Meeting Hall which will put management of this community asset into the community's control and achieve ongoing revenue savings for the council. This will thereby contribute directly to the Best Council Plan 2015-20 objectives of "supporting communities and tackling poverty" and "becoming a more efficient and enterprising council".

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

- 4.4.1 The cost of the acquisition of Area X will be forwarded funded from the proposed subsequent sale of Area X & Y to the residential developer. Further details are given in the confidential appendix.
- 4.4.2 Executive Board gave approval on 15 July 2015 to provide £44,260 grant funding to DARLFC over four years. This report proposes that the sum is capitalised and paid up front.
- 4.4.3 **Capital funding and cash flow**
- 4.4.4 See attached confidential appendix.

### **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 This proposal constitutes a significant operational decision and is therefore not subject to call in.
- 4.5.4 The Head of Land and Property confirms that the terms offered to the Council represent a fair market value for the property.
- 4.5.5 The information contained in the Appendix of this report is exempt under Access to Information Rule 10.4(3) as it contains information relating to the financial or business affairs of a particular organisation and of the Council. It is considered that the public interest in maintaining the content of the appendix as exempt outweighs the public interest in disclosing the information due to the impact that disclosing the information would have on the Council and third parties.

## **4.6 Risk Management**

- 4.6.1 The cost of the acquisition of Area X will be forwarded funded from the proposed subsequent sale of Area X & Y to the residential developer. There is a risk that the proposed sale to developer may not complete, but in this event the Council could mitigate the risk by selling the site on the open market.
- 4.6.2 The risk of maintaining DARLFC's existing clubhouse will be mitigated by granting a tenancy at will to ensure the property is occupied for as long as possible. Depending on the timing of the proposed sale of Area X & Y to the residential developer and DARLFC's vacation of the clubhouse, the Council may have to bear the cost of maintaining the vacant premises until disposal. The cost of maintenance should be met by the sale proceeds arising from the sale to the developer.

## **5 Conclusions**

- 5.1 It is concluded that the Council acquire unconditionally DARLFC's existing clubhouse site and negotiate a sale of this land, together with an adjoining piece of Council-owned land, to a residential developer named in the confidential appendix. The combined site would serve as access land to third party owned land over which the developer has an option to acquire subject to planning permission for residential development.

## **6 Recommendations**

- 6.1 The Director of City Development is requested to:
- a) Approve the acquisition of the freehold of 27 Wakefield Road, Drighlington, on terms detailed in the confidential appendix.
  - b) Give authority to spend the sum detailed in the confidential appendix.
  - c) Enter into one to one negotiations for the sale of the combined Council and DARLFC owned site to the residential developer named in the confidential appendix, with terms to be reported back.

## **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.