

Agenda Item No:

Report author: Gary Streets

Tel: 378 7691

**Report of:** Land and Property

**Report to:** Director of City Development

**Date:** 20 September 2017

**Subject:** Offices to the Rear of the East Stand, Headingley Rugby Ground, Headingley, Leeds LS6 3BR.

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s):	Headingley	
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 property is owned by Leeds Cricket Football & Athletic Company Limited and the Council is supportive of the Headingley Stadium redevelopment proposals.
2. The East Stand of the rugby stadium has office accommodation to the rear.
3. The Council has an operational requirement for additional office space in the North West area of the City and it is proposed to take a lease of the office accommodation.

### Recommendations

4. Subject to the implementation of the recommendations of the Headingley Stadium Redevelopment report dated 19 September 2017 it is recommended that the Director of City Development grants approval to enter into the Agreement for Lease and to take a lease of the accommodation.

## **1 Purpose of this report**

- 1.1 The purpose of this report is to seek approval to take a new lease of the office accommodation on the terms set out in the confidential appendix.

## **2 Background information**

- 2.1 There are a number of property events taking place within the Council's leased in office portfolio accommodation over the next 3 years.
- 2.2 As a consequence of these lease events the Council has a requirement for office accommodation with a high ratio of car parking in North West Leeds.
- 2.3 There is a shortage of office accommodation with suitable levels of car parking in the area.
- 2.4 The subject location offers a good ratio of onsite car parking.
- 2.5 The accommodation situated on the ground, first and second floor extends to a total of over 11,000 sq. ft. of office and ancillary space.
- 2.6 Therefore there is a precedent to take office space in the locality.
- 2.7 Negotiations have been undertaken with the freeholder and terms provisionally agreed to take a lease of the accommodation. The principal terms are detailed in the confidential appendix.
- 2.8 The accommodation is currently occupied by another tenant. Therefore the Council has agreed to take a lease from the date the Landlord can grant Vacant Possession.
- 2.9 The Landlord solicitors have prepared an Agreement for Lease and Lease. This documentation has been agreed by Legal Services.
- 2.10 The Council agreeing to take the lease will also support the sustainability of the broader Headingley Stadium re-development.

## **3 Main issues**

- 3.1 The purpose of this report is to seek approval to enter into an Agreement for Lease and to take a new lease of the office accommodation on the terms set out in the confidential appendix.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 This is an operational acquisition therefore no ward members have been consulted.

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

- 4.2.1 There are not considered to be any equality and diversity / cohesion and integration issues arising.

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

4.3.1 The acquisition of the offices will provide quality accommodation for use by Council Officers.

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

4.4.1 The rent detailed in the attached confidential appendix has been analysed by the Council's surveyor and is considered to be fair and reasonable market rate which represents value for money.

4.4.2 The rental due under the new lease will be met from the resources currently committed to the occupation of existing premises which will be vacated prior to occupation of the new office accommodation.

### **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.

4.6 The Head of Land and Property confirms that in his opinion the terms offered to the Council represent a fair market rent for the property.

4.7 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 property/land then it is not in the public interest to disclose this information at this point in time as this could lead to random competing bids which would undermine this method of inviting bids and affect the integrity of disposing of property/land by this process. 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 offers 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.

### **4.8 Risk Management**

4.8.1 There are not considered to be any risks associated with this transaction.

## **5 Conclusions**

- 5.1 It is considered that the proposed course of action represents good asset management.

## **6 Recommendations**

- 6.1 Subject to the implementation of the recommendations of the Headingley Stadium Redevelopment report dated 19 September 2017 it is recommended that the Director of City Development grants approval to enter into the Agreement for Lease and to take a lease of the accommodation.

## **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.