

Agenda Item No:

Report author: N. Robinson

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**Report of:** Head of Property Services

**Report to:** Director of City Development

**Date:** 10<sup>th</sup> November 2017

**Subject:** Response to the deputation to Full Council by Aire St Workshops  
Tenant's Committee

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

### Summary of main issues

1. At the Full Council meeting in September 2017 a member of the Aire Street Workshops Tenants' Committee presented a deputation setting out the reasons why the Council should retain the asset rather than dispose of it to support the capital receipt programme of the Council.
2. This report sets out the Council's response to the deputation, detailing its current position in relation to this property.

### Recommendations

3. The Director of City Development is requested to note the contents of this report and approve it as the response to the deputation.

## **1 Purpose of this report**

- 1.1 This report sets out the Council's response to the Aire St Workshops Tenants' Committee's deputation to Full Council on 13th September 2017. The deputation is attached at Appendix 1.

## **2 Background information**

- 2.1 Aire Street Workshops is a multi-occupied building let to LCVS Enterprise who are an independent not for profit company set up in 1981 with finance from the Department of the Environment and Leeds City Council to provide small low cost office and manufacturing workspace. The premises are located in the centre of the city, two minutes' walk from the train station.
- 2.2 The premises are let to LCVS by way of a contracted out lease which is due to expire at the end of January 2019.
- 2.3 The property is occupied by 31 businesses which are SMEs.
- 2.4 The property is currently on the Council's capital receipt programme to sell with vacant possession in 2018/19, which was approved by Executive Board on 8 February 2017 as part of the Capital Programme update 2017-20.
- 2.5 The Council have engaged Group Ginger to look at a feasibility study looking at the options available to the Council following discussions with the Tenants' Committee.
- 2.6 The deputation raised a number of specific matters relating to the current use of the premises.
- The value of the small businesses that operate from the premises;
  - The lack of affordable alternative workspace in the city for these type of businesses;
  - The current occupiers of the premises work well together as a cooperative.

## **3 Main issues**

- 3.1 Leeds City Council are working collaboratively with the tenant LCVS and the businesses who operate from Aire Street Workshops in order to investigate options that may be available to the Council, other than disposing of its interest with vacant possession in order to obtain a capital receipt to help meet the Council's capital receipt target . The Council has employed the Group Ginger to carry out a feasibility study that will provide information/advice and likely costings to potentially bring about an enhanced and improved financial offer. It is anticipated that this will include but not be limited to, an explanation of a more efficient configuration of the building, refurbishment and a higher rental return. The Group will meet with the Tenants' Committee that has been formed together with LCVS. The findings of the report will be shared with the occupants as part of the consultation process.
- 3.2 To enable sufficient time to carry out the above work, LCVS's lease expiry has been extended from 31st March 2018 to 31st January 2019. The final decision on the future of the premises will be made by Leeds City Council once the necessary consultation has been concluded and after further consideration of the options and opportunities has been undertaken.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

4.1.1 No formal consultation has taken place with members, but will once the feasibility study has been completed.

### **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 City Priorities**

4.3.1 There are no actions or decisions to consider in this report. However the issues raised highlight the role of Aire Street Workshops in delivering employment by creating space, but also the potential of generating a capital receipt to support inward investment in the city and deliver economic growth.

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

4.4.1 There are no specific resource implications raised by this report as it is for information only in response to the deputation to Full Council. All future resource issues relating to the matters raised will be addressed in future Council reports.

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

4.5.1 There are no specific legal implications raised by this report as it is for information only in response to the deputation to Full Council

### **4.6 Risk Management**

4.6.1 There are no specific risks raised by this report as it is for information only in response to the deputation to Full Council. All future risks relating to the matters raised will be addressed in future Council reports.

## **5.0 Conclusions**

5.1 At the Full Council meeting in September 2017 a member of the Aire Street Workshops Tenants' Committee presented a deputation setting out the reasons why the Council should retain the asset rather than dispose of it to support the capital receipt programme of the Council.

## **6.0 Recommendation**

6.1 The Director of City Development is requested to note the contents of this report and approve it as the response to the deputation.

## **7.0 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.