

Land at Lisbon Square / Skinner Street, LS1

Date: March 2024

Report of: Land and Property

Report to: Chief Officer Asset Management & Regeneration

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

The Council owns land within a development site McLaren Property is assembling. McLaren has requested to purchase the Council's land. The land is of no use to the Council and terms are recommended for its disposal.

Recommendations

It is recommended the Chief Officer Asset Management & Regeneration:

- a) Declares land at Lisbon Square / Skinner Street surplus to the Council's requirements, and
- b) Approves terms for the disposal.

What is this report about?

1. McLaren Property is purchasing a number of freehold interests to assemble a development site at Lisbon Square / Skinner Lane adjacent to the site of the former International Swimming Pool. McLaren has submitted a full planning application 23/00608/FU for a mixed use development comprising the demolition of existing buildings; erection of a mixed-use multi-level development comprising a 45 storey building providing apartments with amenity space and flexible ground floor uses comprising shops, offices, gyms, restaurants and workshop, and two buildings for those same uses, with associated infrastructure and basement car parking, hard and soft landscaping and public open space.
2. McLaren identified three areas of Council owned land within the development site and requested to purchase shown on plan 19949G. Area 1 falls within a car park of an adjoining building and had been used by the building owner for many years without the Council's knowledge. That owner has sold its freehold interest to McLaren without any reference to the Council's ownership and McLaren requests to purchase that interest. Areas 2 and 3 fall under the currently adopted Skinner Street. McLaren proposes to realign Skinner Street and build on the current alignment, with the new alignment of the road eventually being adopted.
3. McLaren request to purchase in two tranches, Tranche 1 (area 1) being the land previously used for parking to be purchased unconditionally as soon as possible, and Tranche 2 (areas 2 and 3) the land under Skinner Street purchased following the stopping up of Skinner Street.

- Detailed terms for the sales are detailed in the accompanying confidential appendix.
- On 7 February 2024 Executive Board agreed to inject the land into the Capital Receipts programme for disposal. The decision is recorded as a Key Decision ref D57167 [Council and democracy \(leeds.gov.uk\)](https://leeds.gov.uk/council-and-democracy).

What impact will this proposal have?

- Inclusion of the Council's land will assist in site assembly and regeneration of the wider site bringing about economic benefits to the city.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

- The sales will contribute to the delivery of new housing and workspace. New quality energy efficient housing is known to contribute to the occupiers' health and wellbeing and being energy efficient will contribute to the Council's ambition of zero carbon. The development will contribute to economic growth and inclusive growth creating opportunities for all.

What consultation and engagement has taken place?

Wards affected: Little London & Woodhouse

Have ward members been consulted? Yes No

- Ward Members, Cllr Javaid Akhtar, Cllr Kayleigh Brooks and Cllr Abigail Marshall-Katung were advised of the proposed sale on 8 March 2024 and are supportive.
- The Executive Member Resources was advised of the proposed sale on 12 March 2024 and acknowledged receipt of the information.

What are the resource implications?

- The Council will receive a capital receipt on completion of the disposals.

What are the key risks and how are they being managed?

- The risk of the sale of Tranche 1 not completing is very low as it is on an unconditional basis and McLaren is keen to progress. The sale of the Tranche 2 land is subject to the formal stopping up of Skinner Street which involves the risk of the stopping up order not being granted. However, McLaren will apply for stopping up after planning permission has been granted and the principle of the road in its current alignment being closed and realigned will have been subject to public consultation during the planning process making the risk the stopping up being refused very low.

What are the legal implications?

- 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.
- The Chief Officer Asset Management and Regeneration, Head of Asset Management, Technical Lead and Deputy 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.

14. The proposal constitutes a Significant Operational Decision and is therefore not subject to call in.
15. The Deputy Head of Land and Property confirms that the proposed method of disposal set out above is the method most likely to result in the Council achieving the best consideration that can reasonably be obtained under Section 123 of the Local Government Act 1972 (or under the Housing Act 1985).
16. 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.

Options, timescales and measuring success

What other options were considered?

17. McLaren is the only possible purchaser, being owner or future owner of all the surrounding interests to assemble a redevelopment site. The Council's only alternative would be to not sell the land. This would prevent the major redevelopment and city centre regeneration and its associated economic and social benefits would not be realised. Selling the land meets the three pillars of the Best City Ambition.

How will success be measured?

18. Completion of the sales of the two tranches of land and realising capital receipts.

What is the timetable and who will be responsible for implementation?

19. McLaren would like to purchase Tranche 1 in Q1 24/25, with the Tranche 2 land following when the current adopted Skinner Street has been stopped up.

Appendices

- Confidential Appendix 1 and Plan 19949G

Background papers

- There are none.