



Appendix 1 of this report is Exempt/Confidential under
Access to Information Procedure Rules 10.4 (3)

Report of the Director of City Development

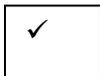
Executive Board

Date: 5th January 2011

Subject: The Former Royal Park Primary School

Electoral Wards Affected:

Hyde Park & Woodhouse



Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In



Not Eligible for Call In

(Details contained in the report)



EXECUTIVE SUMMARY

This report outlines the offers received for the former Royal Park Primary School in Hyde Park & Woodhouse ward. The report's recommendations regarding the disposal of the building are detailed in the confidential appendix 1.

The report also seeks a decision about a request from the Inner North West Area Committee that the Court Costs granted against the individuals who illegally occupied the site last year are waived. The report recommends that Executive Board declines the Area Committee's request .

1 Purpose Of This Report

- 1.1 The report seeks Executive Board decision about the disposal of the former Royal Park Primary School.
- 1.2 Executive Board is also asked to consider Inner North West Area Committee's request that the costs awarded by the court to evict trespassers are waived by the Council.

2.0 Background Information

- 2.1 Executive Board, in November 2003, approved in principle the retention of the former Royal Park Primary School building for Council purposes with some space for community use following the planned closure of the school in September 2004. A number of schemes were considered, including interest from the Royal Park Community Consortium (RPCC) in February 2005, but none proved deliverable.
- 2.2 In October 2009, Executive Board approved the marketing of the property for refurbishment, by inviting unconditional best and final financial offers. It was agreed that any assessment of bids should take into account long term sustainability of the building. It was also agreed that the Council would be under no obligation to accept any of the offers and that the purchaser must demonstrate the financial capacity to address the cost of the refurbishment that would be required. Three bids were received.
- 2.3 In November 2009, a group of community activists occupied the building unlawfully for over three weeks. In order to ensure the safety of the occupiers and to progress the marketing, a court order instructing the group to vacate the building was issued and the group was evicted. This action resulted in the Council incurring legal costs of £2,948.50, awarded against the individuals responsible who had made arrangements to pay back the Council at a monthly rate prior to the Area Committee's request to waive the costs. Details are provided in the confidential appendix 1 of this report.
- 2.4 On 10th March 2010, Executive Board deferred its decision and extended the deadline, which in effect ended the tendering process. Since then, the Council administration has changed and the Executive Member has confirmed a preference for community use of the building as well as its retention. On this basis, the Council has had further informal discussion with the three parties and has since received three valid financial offers (from Company A, Company B and Company C). In recent weeks, two further parties have declared interest in making offers for the site. It is the officers' view that the Council does not consider these interests until a decision is taken on those already received.

3.0 Main Issues

- 3.1 **Company A** has submitted a total of three offers for the freehold site:
- (i) refurbishment of the building for a variety of community uses including youth & community groups; nursery; recreation activities – gym, sports clubs etc; office space; conference room; educational use; debt counseling; possible library relocation; small business set up units. The timetable for the works, which would be phased, is two years.
 - (ii) as (i) above but with a reduced offer to reflect the first floor of the building leased back to the Council and then sub-let for a community use;
 - (iii) an unconditional offer was submitted in November 2010, but seeking no restrictions from the Council.
- 3.2 **Company B** has submitted a total of four offers, each to primarily use the building for residential purposes for freehold:
- (i) building retained and developed for residential use. The developer has indicated that the units will be self contained mostly with one or two bedrooms and because of the

layout of the building, a small proportion of units would need to be three or four bedroomed.

- (ii) as (i) but a reduced offer to reflect the demolition of the two 1960s extensions, following discussions with Planning about the desirability of this from a planning perspective.
- (iii) as (i) but a reduced offer to allow for 861m² of the ground floor to be leased back to the Council and then sub-let for community use.
- (iv) as (ii) but in line with offer (iii) i.e. also excluding the extensions and also allowing for community space, but with a reduced offer.

3.3 There is Ward Member objection to any proposal that involves potential for student housing on the site. However, in planning policy terms the conversion of the building into residential use is acceptable.

3.4 **Company C** has submitted one offer for the freehold of the site, or for the leasehold, in order to provide office and workshop space; community space; market stalls; a community café; and a residential use of the caretaker's house.

3.5 **Trespass legal costs:** although the trespassers claim to have had the best intentions when occupying the building, there were significant health and safety issues regarding their occupation. Seeking these costs will act as a deterrent to others who may consider similar action in the future. There is also no allowance for these costs in the revenue budget for this year, so the amount awarded would become a budget pressure. It is now over twelve months since these costs were awarded and the individuals concerned have had the opportunity of time to raise the amounts owed.

4.0 Implications For Council Policy And Governance

4.1 The Council has previously agreed that the building should be retained and has previously supported community use of the building. This supports the harmonious communities theme of the Leeds Strategic Plan.

4.2 The Government's community empowerment proposals have now been put forward to parliament within the recently published Localism Bill. The Bill will give community organisations greater opportunity to identify and bid for assets of value to them, from which they can deliver existing or new services. As well as empowering communities, the aim is to diversify the providers of services and stimulate creative and imaginative new patterns of service and enterprise. However local authorities retain a duty to evaluate all such proposals in order to achieve 'best value' through use of their assets and to withstand scrutiny as necessary.

5.0 Legal And Resource Implications

5.1 The information contained in appendix 1 relates to the financial or business affairs of the Council. It is considered that it is not in the public interest to disclose this information at this point in time as it could undermine the method of disposal, should that come about and affect the integrity of disposing of the property. It is considered that the release of such information would or would be likely to prejudice the Council's commercial interests in relation to this or other similar transactions in that prospective purchasers of this or other similar properties would have 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

any 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.

6.0 Risk

6.1 Risks associated with each proposal are included in the confidential appendix in the detail for each bid.

7.0 Ward member consultation

7.1 Ward Members have been advised about the latest position and are supportive of the recommendations contained in confidential appendix 1.

8.0 Conclusion

8.1 The Council has sought to find an alternative community use for the ex-Royal Park School site over a period of years. There are three financial offers to purchase or lease the building. The offers are considered in detail in confidential appendix 1. However, the analysis of the options has taken into account the Council's desire, reaffirmed by the new administration, to see community use for this building.

9.0 Recommendations

9.1 It is recommended that Executive Board makes a decision as set out in the recommendations included in the confidential appendix with regards to the sale of the building.

9.2 That Executive Board notes the request from Inner North West Area Committee for Executive Board to waive the legal fees awarded against the individuals who trespassed on the site, but declines the request.

Background Papers:

Equality Impact Assessment