

Report of : Director of City Development
Report to : Executive Board
Date: 19 September 2018
Subject: Holt Park District Centre - Asda

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s):	Adel & Wharfedale	
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input 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:	2	

Summary of main issues

1. The Holt Park District Centre (HPDC) provides an important facility for the local community. However, the existing environment is poor with outdated buildings and facilities which do not satisfy modern day standards. Part of this site forms a cleared area following the demolition of the former Ralph Thoresby School and Holt Park Leisure Centre which were demolished, replaced by the new school and Holt Park Active (Health and Leisure) Centre. The cleared sites and the current condition of the original buildings at the HPDC are having a detrimental effect on the area.
2. Following the completion of the Holt Park Active and new Ralph Thoresby School, on 17 December 2014 Executive Board approved (Minute Ref 138) a revised draft Planning Statement for the regeneration of area including the vacant land at Holt Park. The demolition of the old Ralph Thoresby School and the Holt Park Leisure Centre, has now given rise to areas of cleared land, which provide a significant opportunity to contribute to the regeneration of the HPDC and the city's housing growth targets as detailed in the Core Strategy.
3. Asda has a long standing aspiration to improve its retail offer at this location, which currently is delivered from an outdated store. Over a number of years, Asda has put forward various alternative proposals and in 2016 sought to implement a comprehensive redevelopment involving the acquisition of an area of Council owned land. It was proposed that this would take place alongside and to complement the

Council's broader regeneration plans. The Executive Board decision of 17 December 2014 also provided authority for officers to hold discussions with Asda in respect of a potential land transaction to enable the redevelopment proposals.

4. However, due to the change in market conditions, particularly in the way supermarkets operate, it prevented both the Council's and Asda's development plans from being financially viable and the proposals did not come to fruition. Since that time, dialogue has continued between Asda and the Council relating to various alternative store investment plans by Asda. In June 2018, Asda's Board approved a final option to reconfigure and improve the retail offer, it relates to their store and includes the partial demolition of adjacent, currently tenanted, retail units also owned by Asda. This still requires, albeit significantly reduced, a land transaction with the Council.
5. Discussions have been progressed with Asda to bring forward their plans and the report sets out the current position with Asda in terms of their proposals and also confirms the boundary of the remaining Council owned land at this location. Officers are considering options for subdividing this land to provide social and market led housing in connection with the Extra Care proposals already approved by Executive Board for part of this site. The discussions with Asda and the broader regeneration plans will be cognisant of the approved Planning Statement including the connectivity with the wider existing community and associated facilities.
6. This proposal will contribute to the Leeds Inclusive Growth Strategy 2018-2023 namely supporting places and communities to respond to economic change and making assets work to support growth and communities.

Recommendation

7. Executive Board is recommended to:
 - i) Note the positive progress achieved to deliver future improvements to the Holt Park District Centre and the surrounding vacant land and that a future report will follow.
 - ii) Declare all Council owned land within the site boundaries shown in Appendix 1a and 1b, operationally surplus.
 - iii) Approve the terms of the property transaction with Asda as set out in the confidential appendix 2.
 - iv) Delegate the approval of the final disposal boundary and terms to the Director for City Development with the concurrence of the Executive Member for Regeneration, Transport and Planning.
 - v) Note the position with the affected tenants named in the confidential appendix and delegate any future decision necessary to the Director for Resources and Housing, with the concurrence of the Executive Member for Regeneration, Transport and Planning.

1 Purpose of this report

- 1.1 The purpose of this report is to update Executive Board on the proposals emerging for the Holt Park District Centre site and to seek approval to the terms of a land transaction with Asda to facilitate their centre reconfiguration and improvement proposals.

2 Background information

- 2.1 The existing District Centre was built in the 1970s and whilst it provides a range of local services, many of which are well used by the community, it offers an unattractive environment with outdated buildings and facilities. It also has a significant area of vacant land formerly occupied by Ralph Thoresby School and Holt Park Leisure Centre.
- 2.2 In December 2014 Executive Board approved a revised draft Planning Statement to deal with the vacant land at Holt Park, following the demolition of the old Ralph Thoresby School and the Holt Park Leisure Centre. These areas of cleared land provide a significant opportunity to contribute to the regeneration of the District Centre and the city's housing growth targets as detailed in the Core Strategy.
- 2.3 Asda has a long standing aspiration to improve its retail offer at this location, which currently is delivered from an outdated store. Over a number of years, Asda has put forward various alternative proposals and in 2016 sought to implement a comprehensive redevelopment involving the acquisition of an area of Council owned land. It was proposed that this would take place alongside and to compliment the Council's broader regeneration plans. The Executive Board decision of 17 December 2014 also provided authority for officers to hold discussions with Asda in respect of a potential land transaction to enable their redevelopment proposals.
- 2.4 However, difficult market conditions prevented both the Council's and Asda's development plans from being financially viable and the proposals did not come to fruition. Since that time, dialogue has continued between Asda and the Council relating to various alternative store investment plans by Asda. In June 2018, Asda's Board approved a final option to reconfigure and improve the retail offer, it relates to their store and includes the partial demolition of adjacent retail units also owned by Asda. This still requires, albeit significantly reduced, a land transaction with the Council, as outlined within the confidential appendix 2.
- 2.5 The proposed transaction with Asda, also then confirms the boundary of the remaining Council owned land at this location. Officers are considering options for subdividing this land to provide social and market led housing in connection with the Extra Care proposals already approved by Executive Board for part of this site. The discussions with Asda and the broader regeneration plans will be consistent with the vision and objectives of the approved Planning Statement including the connectivity with the wider existing community and associated facilities.

3 Main issues

- 3.1 Action is required to improve the dated Holt Park District Centre and the surrounding Council owned land including the vacant brownfield sites of the old Ralph Thoresby School and Holt Park Leisure Centre, following their re-provision nearby.
- 3.2 Following the relocation of the School and Leisure Centre, Asda own the majority of the properties that comprise the Holt Park District Centre, which is anchored by their dated store and their ownership included the adjacent retail units. Asda's proposals would reconfigure the store, improve the entrance, improve the car park, introduce a café and include new retail "pod" outlets. As part of the improvement proposals, Asda are also proposing to demolish the retail units at the side and rear of the main store, as Asda consider these to be financially unviable.
- 3.3 Negotiations with Asda have progressed well in recent months after a period of protracted discussions and heads of terms have been provisionally agreed, subject to formal Council approval. Asda secured their Board approval to this proposal on 13 June 2018.
- 3.4 The key terms agreed are as follows:-
 - 3.4.1 The Council to grant a long lease (125 years) of the Car Park to Asda. (Plan Ref 17160AR Site Area 1.13Ha) Appendix 1a. This will allow Asda to undertake improvements to the car park and reconfigure the spaces. The public parking status of the car parking will remain. This will divest the Council of a maintenance liability, which has become increasingly problematic over the winter months and provide Asda with the ability to invest in improvements to the car park.
 - 3.4.2 The Council will transfer a small strip of land, to the west of the mall (Plan ref 17160AT Site Area 519 m2) Appendix 1b. This will allow Asda to undertake improvements to the mall and the entrance including the creation of a new café and retail "pods" and it will also tidy up some minor legal title anomalies.
 - 3.4.3 As part of the transaction Asda will transfer an area of land to the south of the existing store, to the Council (Plan ref 17160AP Site Area 2032m2) Appendix 1c. This is currently the location of a number of partly vacant retail units. These will be demolished and a site cleared to the satisfaction of the Council is transferred to the Council. This is directly adjacent to additional land in Council ownership.
 - 3.4.4 Asda to cancel an ongoing service charge payable by the Council in relation to the mall that access was taken to the former leisure centre.
 - 3.4.5 Asda's affected tenants are aware of the proposals and it is understood that the leases include clauses allowing Asda to take back the properties to facilitate redevelopment. This could potentially lead to the displacement of Asda's tenants including two charity shops. Both Asda and the Council have had initial discussions around the potential options available and a meeting took place with the tenants on 24 August 2018. Further information is provided in confidential appendix 2.
 - 3.4.6 Officers have also been working on options for the remaining Council owned land and dovetailing these with Asda's proposals and in accordance with the principles outlined in the approved Planning Statement. These options include the provision of both social and market led housing in connection with the Extra Care proposals already approved by Executive Board for part of this site. A further report will be brought back to Executive Board in relation to this.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The Executive Member for Regeneration, Transport and Planning has been briefed on the proposals and regular discussions have taken place with the Adel and Wharfedale ward members who are supportive of the scheme, subject to confirmation of the plans for the affected tenants of Asda's retail units that are proposed to be demolished. Further comments from Ward Members are included in confidential appendix 2.
- 4.1.2 Consultation has been carried out with the Highways Transportation team regarding the public transport connections to Holt Park to ensure that any redevelopment would not impact on these.
- 4.1.3 Asda need to secure planning permission to deliver their proposals and will hold a local consultation event with the local community and stakeholders.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An Equality, Diversity, Cohesion and Integration screening has been completed. This identified that there are no impacts which require further consideration in relation to the proposed transaction between the Council and Asda.

4.3 Council Policies and Best Council Plan

- 4.3.1 This proposal will contribute to the Leeds Inclusive Growth Strategy 2018-2023 namely supporting places and communities to respond to economic change and making assets work to support growth and communities.

4.3.2 Planning Policies

- 4.3.2.1 The proposal fits with the approved Planning Statement which is consistent with the objectives of the Leeds Unitary Development Plan (Review) and the Core Strategy in supporting the regeneration of Holt Park District Centre, providing further retail floorspace, brownfield housing land, providing for housing needs (including for older people and affordable housing) and overall improving the liveability of the area. The study which informed the preparation of the Core Strategy recognised the role of Holt Park District Centre as a retail and community focus and highlighted the opportunity to modernise, extend and/or reconfigure the existing centre.
- 4.3.2.2 Given the retail capacity in the area, the Council was recommended to investigate this further as both planning authority and land owner. The Site Allocations Plan (SAP) which was subject to consultation on the Issues and Options document also recognises the opportunity to reconfigure and extend existing town centre boundaries.

4.4 Resources and value for money

- 4.4.1 Details of the proposed terms of the transaction between the Council and Asda are set out in the confidential appendix 2. The Council currently incurs a revenue service charge cost of approximately £58,000pa. This charge will be cancelled within the terms of the proposed transaction with Asda.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The Head of Land and Property confirms that the proposed transaction satisfies the Council's obligation to achieve the best consideration that can reasonably be obtained under Section 123 of the Local Government Act 1972 (or under the Housing Act 1985).
- 4.5.2 The information contained in the exempt confidential appendix 2 attached to this report relate 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 is subject to one to one discussions with Asda, it is not in the public interest to disclose this information at this point in time.
- 4.5.3 It is also 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.

4.6 Risk Management

- 4.6.1 If this transaction were not to proceed the opportunity to fully integrate Asda's redevelopment plans with the Council's regeneration objectives could be lost. Furthermore, Asda's proposals would be more limited, comprising more minor improvements, although, subject to planning, they would still have the ability to demolish their retail units.
- 4.6.2 Furthermore, the Council would not secure the revenue savings of the service charge costs as outlined in confidential appendix 2.

5 Conclusions

- 5.1 It can be concluded that:
- i) Progress has been made to take forward long outstanding and much needed improvements to the Holt Park District Centre and surrounding vacant land.
 - ii) The initial step is a property transaction between the Council and Asda to facilitate the improvements sought by Asda but also be consistent with the already approved Planning Statement.
 - iii) Officers should then be able to finalise options for the remaining vacate land including the provision of both social and market led housing development.

6 Recommendations

6.1 Executive Board is recommended to:

- i) Note the positive progress achieved to deliver future improvements to the Holt Park District Centre and the surrounding vacant land and a future report will follow.
- ii) Declare all Council owned land within the site boundaries shown in Appendix 1a and 1b, operationally surplus.
- iii) Approve the terms of the property transaction with Asda as set out in the confidential appendix 2.
- iv) Delegate the approval of the final disposal boundary and terms to the Director for City Development with the concurrence of the Executive Member for Regeneration, Transport and Planning.
- v) Note the position with the affected tenants named in the confidential appendix and delegate any future decision necessary to the Director for Resources and Housing, with the concurrence of the Executive Member for Regeneration, Transport and Planning.

7 Background documents¹

7.1 None

¹ 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.