

Agenda Item No:

Report author: A Gledhill

Tel: 787678

**Report of:** Head of Land and Property  
**Report to:** Chief Officer Economy and Regeneration  
**Date:** 13 June 2017  
**Subject:** Abbey Mills, Abbey Road, Kirkstall

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s):	Kirkstall	
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 subject property is a Grade II listed former mill complex. Disposal of the Council's interest is proposed on a long leasehold basis.
2. Investment to bring forward a new sustainable use is required in order to secure the property's future.
3. It is proposed that an 'expressions of interest' marketing exercise be under taken in the first instance, in order to assess the level of interest in undertaking a refurbishment scheme.

### Recommendations

4. It is recommended that the Chief Officer Economy and Regeneration :
  - a) Declares Abbey Mills surplus to Council requirement.
  - b) Grants approval to Asset Management undertaking an 'expressions of interest' marketing exercise, with any interest received to be reported for consideration.
  - c) Supports the principal of the establishment of a budget to negotiate new agreements that will facilitate vacant possession in respect of the two tenants,

should this be necessary.

---

## **1 Purpose of this report**

1.1 The purpose of this report is to:

- I. Declare the subject property surplus to Council requirements and
- II. Seek approval to undertake an 'expressions of interest' marketing exercise and
- III. Seek support to the principal of establishing a budget to negotiate new agreements for the remaining tenanted units that would facilitate vacant possession, should this be considered necessary.

## **2 Background information**

2.1 Abbey Mills is a Grade II listed former mill complex which is vested in City Development.

2.2 It is comprised of a complex of stone built mill buildings which substantially date from the early 19<sup>th</sup> century. The Council acquired the property in 1965 and thereafter leased it out on a multiple letting basis for a range of light industrial / commercial uses.

2.3 There are two remaining tenants, the details of which, including their current legal status, are provided in the attached confidential appendix. The tenants each occupy relatively small units close to the entrance as shown cross hatched on the attached plan marked No.1. The remainder of the complex is vacant. The compensation entitlements for the respective tenants are detailed in the confidential appendix.

2.4 The close proximity of the respective tenants to the existing entrance should be considered in relation to the key issue of the anticipated need to improve the access in the event of a submission of a planning application for a refurbishment scheme for the mill complex. This issue is detailed at 3.5 below. The complex could be sold with the existing tenants in place.

2.5 The site did not flood during the major flooding event in the Kirkstall Valley of Christmas 2015. This is despite the western boundary being next to a Mill race which runs off the River Aire. The Mill Race also used to run under the site via two covered channels, the ends of which have been blocked up.

2.6 Immediately to the north are Council owned stone built residential premises known as Abbey Villas. These premises are not to be included in the marketing exercise as they are occupied by residential tenants.

2.7 On the southern tip of the site stands a small stone built former police station ( Marked A on the plan) . In between this building and one of the remaining tenanted units, stands an advertisement hoarding which forms part of the Council's city wide portfolio of sites held under an overall contract by a commercial advertiser. Substantial mature trees stand behind the hoarding on land that drops sharply into the Mill race referred to above.

- 2.8 The Mill race, and its associated banks and the trees within, ideally need works to be undertaken to improve its condition in line with any scheme of the mill complex.
- 2.9 The Council's Conservation team has undertaken work to determine the relative heritage significance of the various buildings on the site. Plan No.2 attached shows the team's opinion. It is considered that this could assist in any rationalisation proposals, with particular regard to potential alterations to the existing entrance.

### **3 Main issues**

- 3.1 There are many listed buildings in Leeds and the Council has a strong track record of working with developers to deliver long term sustainable solutions.
- 3.2 Abbey Mills requires a solution. The property has been included on the Council's Buildings at risk schedule. Substantial investment needs to be attracted in order to establish a new sustainable use.
- 3.3 A condition survey was undertaken in 2015 by NPS on behalf of Asset Management in order to assess the wind and water tightness of the complex and the associated estimated cost of repair. A summary of the survey and associated costs are detailed in the attached confidential appendix.
- 3.2 Abbey Mills is subject to interest from a local community benefit society, which also has aspirations to regenerate the Council owned mill at the nearby St Anns Mills complex. Further details are provided in the confidential appendix.
- 3.3 The opportunities for job and home creation associated with the re-use of redundant former mills in the Leeds City Region is being actively considered by the West Yorkshire Combined Authority (WYCA), in liaison with the City region's local authorities and the Leeds City Region Enterprise Partnership (LEP). Two priority mill sites have been identified in each of the five local authority areas across the City Region, with a view to appointment of consultants to principally undertake feasibility work and the development of business cases for funding support. Abbey Mills is one of the two identified in the Leeds City Council area.
- 3.4 The proposed 'expressions of interest' (EOI) exercise has the potential to complement any consultative work to be undertaken in respect of the initiative detailed in 3.3 by providing an indication of market interest.
- 3.5 A key issue to be resolved by any refurbishment proposal is that of providing an improved vehicular access. Highways officers have advised that any intensification of use from the existing, will result in a requirement to provide an improved vehicular access. The existing access is considered to be sub-standard, with highly inadequate visibility displays onto the very busy A65 arterial road and close proximity to a bus stop and a major road junction. In the confidential appendix there is commentary on alternative access arrangements previously considered.
- 3.6 The range of suitable future uses for the property is therefore restricted due to the following considerations :
- a) The need to avoid major alterations to the listed buildings
  - b) The existing sub-standard vehicular access.
  - c) The potential impact on the amenity of residents of Abbey Villas.

d) The potential impact on the adjacent greenspace/ footpaths.

e) The potential impact on the important heritage site of Kirkstall Abbey.

As a consequence it has been difficult for Planning officers to confidently advise as to suitable uses. Residential is likely to be considered to be the principal use, as it should generate the lowest level of vehicular movements and the adjoining A65 arterial road offers good public transport links.

- 3.7 In view of the issues highlighted above, it is considered that an EOI marketing exercise would allow demand to be identified, and in particular potential uses and their associated vehicular access requirements. The exercise would be open to all, including community based initiatives, and is intended to instil a sense of focus in all interested parties.
- 3.8 It is considered that the area to be offered to the market in the first instance for the EOI should be that identified as the subject area on the attached plan. This includes the former police station on the southern boundary and the land immediately to its north.
- 3.9 It is further considered that the advertisement hoarding should, if possible, be retained by the Council in view of the income it generates and its inclusion in a wider advertisement contract. The legal position in respect of the wider contract is being considered.
- 3.10** In view of the substantive issues and costs faced by any prospective refurbishment scheme, with particular regard to the entrance, it is considered that it would be advantageous to have renegotiated the remaining tenant's legal agreements such that vacant possession could be secured as part of any refurbishment scheme. The remaining tenants are longstanding and their continued occupation helps to maintain a degree of security and a limited level of rental income. Discussions are intended to take place with the respective tenants at the earliest opportunity if the EOI exercise is approved. As detailed above, the site could be sold with the tenant's in situ.

### **3.11 Options**

#### **1. Do nothing and continue to receive the limited rental income**

This is not considered to be an option given the issues highlighted in this report.

#### **2. The Council to retain and undertake the refurbishment of the buildings**

In view of the severe budget pressures faced by the Council this is not considered to be a viable option.

#### **3. Undertake an 'expressions of interest' marketing exercise on the basis of the area identified on the attached plan.**

This is considered to be the preferred course of action for the reasons detailed in this report and may assist in relation to the proposed consultation work proposed under the City Region initiative detailed above.

## **4 Corporate considerations**

### **4.1 Consultation and Engagement**

4.1.1 Ward Members have been consulted on the proposed EOI exercise and no objections were received.

4.1.2 The Executive Member for Regeneration, Transport and Planning has been consulted and is supportive of the proposed course of action.

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

4.2.2 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 proposed course of action offers an opportunity to pro-actively deal with the issues relating to a Grade II listed building.

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

4.4.1 The Council currently faces a significant financial liability to maintain and restore the property given its listed status.

4.4.2 The property does not attract a charge for empty business rates due to its Listed status. The listing also means that an Energy Performance Certificate will not be required to be provided as part of any marketing exercise.

## **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 a Significant Operational decision and is therefore not subject to call in.

4.5.4 The 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).

4.5.5 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.

## **5 Risk Management**

- 5.1 It is considered that if the recommended course of action is not pursued then a further delay will be incurred in securing investment to provide a sustainable use for a Grade II listed property.

## **6 Conclusion**

- 6.1 The proposed course of action is considered to be the most appropriate in the circumstances to deal with the issues arising.

## **7 Recommendations**

- 7.1 It is recommended that the Chief Officer Economy and Regeneration :
- a) Declares Abbey Mills surplus to Council requirement.
  - b) Grants approval to an initial 'expressions of interest' marketing exercise, with any interest received to be reported for consideration.
  - c) Supports the establishment of a budget to negotiate agreements that will facilitate vacant possession in respect of the two remaining tenants, should this be necessary.

## **8 Background documents**

- 8.1 None