

Agenda Item No:

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**Report of:** Land and Property

**Report to:** Director of City Development

**Date:** January 2018

**Subject:** Land at Beckhill Grove, Miles Hill – Disposal to a Registered Provider

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s):	Chapel Allerton	
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. Land at Beckhill Grove formed one of seven Council owned sites that were declared surplus to operational requirements. The development potential for each of the sites was assessed via the HILS process. The marketing of the sites to members of the Leeds Affordable Housing Framework for the development of Affordable Housing was subsequently approved at Asset Management Board (AMB).
2. Expressions of Interest, offers and indicative scheme details were received and a multi-disciplinary panel assessed each of the offers in terms of local area requirements, deliverability and the capital receipt.
3. On 21<sup>st</sup> November 2017 Chief Officer Economy & Regeneration approved the selection of the Preferred Bidder detailed within the Confidential Appendix and declared the land surplus to Council Requirements.
4. Site survey works have now been completed and detailed discussions with the Local Planning Authority have taken place. This has resulted in some significant scheme revisions and the identification of significant abnormal costs. The Preferred Bidder has requested that the purchase price be revised to reflect both the revisions and the abnormal costs.

## **Recommendations**

5. It is recommended that the Director of City Development approves the revised sales terms as detailed within the confidential appendix.

### **1 Purpose of this report**

- 1.1 The purpose of this report is to recommend that the revised sales terms are approved.

### **2 Background information**

- 2.1 At Executive Board in April 2014, approval was granted to delegate authority to the Director of City Development to identify sites to support the delivery of Affordable Housing. This report was taken as a Key Decision.
- 2.2 Seven sites, including the subject site, were identified as being suitable for development of Affordable Housing through the Housing Investment Land Strategy (HILS) process. Following this site identification, the Housing Growth Board and Asset Management Board (AMB) supported the recommendation to specifically dispose of the land for provision of Affordable Housing.
- 2.3 The subject site was marketed in July 2016 to members of the Leeds Affordable Housing Framework (LAHF). Members of the LAHF are Registered Providers (RPs) and Third Sector organisations who have demonstrated that they have the ability to develop and manage affordable housing stock, which has been assessed through a rigorous application process.
- 2.4 On the 21<sup>st</sup> November 2017 Chief Officer Economy & Regeneration approved the selection of the Preferred Bidder detailed within the Confidential Appendix.

### **3 Main issues**

- 3.1 The site offered for sale consisted of an area of 0.82 ha, this was made up of a 0.49 ha cleared pub site allocated for housing within the submission draft of the Site Allocation Plan, and a further 0.33 ha of land offered in exchange for the new green space created as a result of a housing block clearance to the West of the site. The boundary of the 0.49ha site is fixed, however the boundary for the remaining 0.33 ha was to be determined by interested parties.
- 3.2 An element of the development boundary extends into land vested in Communities & Environments and is managed by Parks & Countryside. This land will be declared surplus prior to sale.
- 3.3 Since Chief Officer Approval for the selection of the preferred bidder was received, the site boundary has been revised as a result of Public Consultation and Planning Officer Feedback. Further details are contained within the confidential appendix.
- 3.4 Phase 2 Ground Investigations and a Topographical Survey have been undertaken on the site. The findings have resulted in some significant abnormal development costs. Further details regarding these cost estimates and the impact on the land sales value are contained within the confidential appendix.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 Executive Members for Communities and Planning, Transport and Economy were consulted on the proposal to market the seven sites and were supportive of the sites being utilised for the provision of new supply Affordable Housing.
- 4.1.2 Chapel Allerton Ward Members were contacted. Details are contained within the confidential appendix.

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

- 4.2.1 There are no issues.

### **4.3 Council Policies and the Best Council Plan**

- 4.3.1 The recommendation in this report has a number of positive equality outcomes. The primary focus is to provide additional Affordable Housing which will have a beneficial impact for socio-economic equality groups.

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

- 4.4.1 The disposal of the site will generate a capital receipt to support the Council's capital receipts programme.
- 4.4.2 Once sold, the Council will be released from any current and future maintenance liabilities on the site.
- 4.4.3 The development of the site will generate a New Homes Bonus for each property together with an affordable housing uplift and Council Tax revenue.

### **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**
- 4.5.4 The Head of Land and Property confirms that in his opinion the terms offered to the Council represent 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 Part of the site is vested in Communities and Environments. Local authorities have a general statutory power to dispose of land in any manner they wish, under section 123 of the Local Government Act 1972. The disposal must not be for less than the best consideration that can reasonably be obtained.
- 4.5.6 Part of the site is vested is vested in Housing. Any disposal of land which is held by the Council for the purposes of Part II of the Housing Act 1985 requires the consent of the Secretary of State pursuant to Section 32 of that Act. The General Consent

for the Disposal of land held for housing purposes of Part II of the Housing Act 1985 (2012) (The General Housing Consent) permits the disposal of land for a consideration equal to its market value. The General Housing Consent also permits the disposal of vacant land.

- 4.5.7 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 inviting of best and final offers for the property/land then it is not in the public interest to disclose this information at this point in time as this could lead to random competing bids which would undermine this method of inviting bids and affect the integrity of disposing of property/land by this process. 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 offers 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 Should the sale not proceed the site will be remarketed.

## **5 Conclusions**

- 5.1 The development of the subject site will contribute towards an increase in the number of Affordable Homes built within the city.

## **6 Recommendations**

- 6.1 It is recommended that the Director of City Development declares the subject site surplus to requirements and approves the revised sales terms as detailed within the confidential appendix.

## **7 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.