

Report of Head of Regeneration

Report to Director City Development

Date: 8 May 2018

Subject: Demolition and Clearance of former Red Hall Nursery

Capital scheme number: 32911

Are specific electoral wards affected? If relevant, name(s) of ward(s): Crossgates and Whinmoor	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. Following completion of new Parks & Countryside nursery facilities at the Arium at Whinmoor Grange, the horticultural nursery site at Red Hall has now been vacated. To avoid the site attracting anti-social behaviour, whilst also limiting the Council's non-domestic rate liability and preparing the site for future residential development, it is now important for the demolition of the buildings and security of the site to be prioritised.
2. In February 2016, the City Council secured £4m of loan funding from the Local Growth Funding which is administered by the West Yorkshire Combined Authority. £2m of this funding has been used to support the delivery of the Arium with the remaining £2m identified for the demolition and remediation of the site at Red Hall.
3. Demolition and clearance works will take place between April and September 2018 with ground remediation continuing into the autumn. The site will be marketed for residential development which will help to meet the Best Council Plan outcome of ensuring that everyone in Leeds lives in good quality affordable homes within clean and well cared for places.
4. The loan funding secured will be repaid through the receipt achieved from the future sale of the development site.

Recommendations

The Director of City Development is asked to:

- a) Inject and approve Authority to Spend of £2m to progress the demolition of the former Red Hall horticultural nursery site.
- b) Approve the demolition of the vacant unlisted former horticultural nursery buildings and adjoining former changing facilities at Red Hall and preparation of the site for disposal.

1 Purpose of this report

- 1.1 To seek approval to inject and authority to spend of £2m of loan funding secured through the Local Growth Fund to fund demolition and remediation of the former Horticultural Red Hall Nursery.

2 Background information

- 2.1 On 25th February 2016, Leeds City Council secured loan funding from the Local Growth Fund which is administered by the West Yorkshire Combined Authority. Of £4m secured, £2m has been used to support the delivery of the Arium at Whinmoor Grange and the remaining £2m is required to progress demolition and remediation of the former Red Hall nursery site.
- 2.2 The Arium is now operational and the buildings to be demolished within the former nursery site have been vacated.

3 Main issues

3.1 Design proposals and full scheme description.

- 3.2 There is a need to demolish the buildings quickly now that they are vacant to eliminate business rate liability but also ensure that they do not attract anti-social behaviour.
- 3.3 Demolition works are being scoped through Corporate Property Management. The demolition works are complex due to the various elements of the nursery accommodation which has incrementally developed over many years. There are hot spots of contamination which will be addressed with the demolition works leaving a level, secure and clean site available for redevelopment. The demolition works will also incorporate the unused former changing block on the open space part of the wider Red Hall site.
- 3.4 It is proposed to commence marketing of the site during summer 2018, supported by the Red Hall Planning Brief. It is anticipated that the selected developer will then progress a planning application with the programme for delivery of new homes to be considered alongside that for the East Leeds Orbital Road.
- 3.5 Demolition works are planned to take place during Summer / Autumn 2018 with remediation works continuing during the Autumn. The works will be managed by Corporate Property Management and will be delivered using framework contractors where possible and procurement procedures in line with the Council's Contract Procedure Rules.

4 Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Consultation has taken place with the Executive Member for Regeneration, Transport and Planning, Ward Members, and local residents regarding the demolition of the site. The main concerns raised by local residents is regarding security of the site and disruption during the demolition process. To address these

concerns, demolition traffic will use the Outer Ring Road entrance to the west of site, and a scheme to ensure the site is secure and protected from unauthorised access and occupation will be put in place. Dialogue will continue with ward members and residents as demolition progresses to ensure that any issues that arise are addressed.

4.2 Equality and diversity / cohesion and integration

4.2.1 A screening document has been prepared and an independent impact assessment is not required for the approvals requested. The screening document has been sent to the equality team to be approved and published.

4.3 Council policies and the best council plan

4.3.1 The demolition of the former horticultural nursery buildings at Red Hall will prepare the site for future residential development. This supports the Best Council Plan outcomes of ensuring that everyone in Leeds can live in good quality affordable homes within clean and well cared for places.

4.4 Resources and value for money

4.4.1 On 25th July the City Council secured £4m of loan funding from the Local Growth Fund which is administered by the West Yorkshire Combined Authority. The interest rate for the loan is 0%. This was secured to support the delivery of the new Arium at Whinmoor Grange (£2m) and the demolition and remediation of the horticultural nursery site at Red Hall (£2m) once vacated.

4.4.2 The loan will be repaid from the capital receipt achieved from the sale of the site at Red Hall. The loan is classed as a category B scheme for capital accounting purposes on the basis that no new asset is being created and it is a preliminary stage in preparing the land as part of a major strategy for renewal, regeneration and development within the city. This action has followed on from the strategy approved by Exec Board and has been widely publicised and communicated.

4.4.3 **Full scheme estimate** - the total cost of the demolition and remediation works will not exceed £2 million.

4.4.4 **Capital funding and cash flow.**

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2017 £000's	FORECAST				
			2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	0.0						
TOTALS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2017 £000's	FORECAST				
			2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	2000.0			2000.0			
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	0.0						
TOTALS	2000.0	0.0	0.0	2000.0	0.0	0.0	0.0
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2017 £000's	FORECAST				
			2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021 on £000's
LCC Supported Borrowing	0.0						
Revenue Contribution	0.0						
Capital Receipt	0.0						
Insurance Receipt	0.0						
Lottery	0.0						
Gifts / Bequests / Trusts	0.0						
European Grant	0.0						
Health Authority	0.0						
School Fundraising	0.0						
Private Sector	0.0						
Section 106 / 278	0.0						
Government Grant	0.0						
SCE (C)	0.0						
SCE (R)	0.0						
Departmental USB	0.0						
Corporate USB	0.0						
Borrowing funded by Third Party (WYCA)	2000.0			2000.0			
Total Funding	2000.0	0.0	0.0	2000.0	0.0	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Parent scheme number : 32911

Title : Red Hall Demolition

Revenue effects

4.4.5 There are no revenue costs associated with this project.

4.5 Legal implications, access to information and call-in

4.5.1 There are no legal implications associated with this report.

4.5.2 This is a key decision and is therefore eligible for call-in.

4.6 Risk management

4.6.1 The main risk associated with this project is that demolition costs exceed the funding available. Through the scoping work already undertaken it is anticipated that the works will be deliverable well within budget.

5 Conclusions

5.1 Demolition of the former Horticultural Nursery at Red Hall is a priority to avoid the site attracting anti-social behaviour, reducing the Council's Non-Domestic Rate liability and preparing the site for disposal and future residential development.

5.2 Demolition works are due to be progressed between April and July with remediation continuing into the autumn.

5.3 The site is to be brought to the market for residential development.

6 Recommendations

6.1 The Director for City Development is asked to:

- a) Inject and approve Authority to Spend of £2m to progress the demolition of the former Red Hall horticultural nursery site.
- b) Approve the demolition of the vacant unlisted former horticultural nursery buildings and adjoining former changing facilities at Red Hall and preparation of the site for disposal.

7 Background documents¹

7.1 None.

¹ The background documents listed in this section are available for download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.