

Report of: Land and Property

Report to: Director of City Development

Date: July 2018

Subject: Former Holdforth Court Hostel, Brussels Street, Leeds, LS9 8AT

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s):	Hunslet and Riverside	
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 site (shown on the attached plan) was sold by the Council in 1993 for the building of a homeless hostel, known as Holdforth Court, subject to a user covenant over part of the site limiting its use for privately let housing accommodation.
2. The owner, St Anne's Community Services, is seeking to sell the hostel for redevelopment and is now seeking a release of the covenant to facilitate its sale.

Recommendations

3. It is recommended that approval is given to a release of the user covenant on land at Holdforth Court, Brussels Street, Leeds LS9 8AT in order to facilitate the sale of the site for redevelopment.

1 Purpose of this report

- 1.1 The purpose of this report is to seek approval to a release of the user covenant of land at Holdforth Court in order to facilitate the sale of the site for redevelopment.

2 Background information

- 2.1 Holdforth Court is a vacant hostel for single homeless men owned and built by St Anne's Community Services on land sold to it for that purpose by in 1993.
- 2.2 St Anne's is a Leeds based registered charity and Housing Association which provides housing and accommodation based support across the North of England. It provides supported living housing schemes, residential care including nursing care and specialist alcohol detox and rehabilitation, respite care, domiciliary care and community mental health and substance abuse services.
- 2.3 The property built is a 4 storey 36 bed purpose built hostel to provide short term accommodation for single homeless men and support them to secure a longer term housing tenancy within the city.
- 2.4 Referrals for the accommodation could only be made through the LCC Housing Options Service; LCC has had 100% nomination rights for approx 24 years.
- 2.5 The land was sold under 2 titles as shown on the attached plan, but the restrictive covenant only applies to area A.
- 2.6 The restrictive covenant states 'not to use the property nor the units for any purpose other than as privately let housing accommodation.'
- 2.7 LCC have changed the way homeless people are allocated accommodation and terminated the contract with St Anne's for the use of the hostel from 30 June 2017.
- 2.8 The running of Holdforth Court was 100% funded from the service provision contract from LCC. Holdforth Court is purpose built for homeless accommodation and St Anne's does not have any other of its services that could make use of the building which would not meet current standards for any other use (no en-suite facilities) without major expenditure.

3 Main issues

- 3.1 St Anne's has decided to sell the building and has asked for the restrictive covenant to be removed. The restriction will not completely prevent re-use of the property, but its removal will widen its appeal to the market.
- 3.2 Provisional terms for the proposed release of the covenant are detailed in the attached confidential appendix.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Ward Members were consulted by email on 29 June 2018 with regard to this proposal. Two of the Ward Members responded on 29 June confirming that they had no objections to the lifting of the covenant and the third Ward member confirmed support for the proposal on 10 July 2018.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 There are no equality, diversity, cohesion or integration implications arising from this proposal.

4.3 Council Policies and the Best Council Plan

- 4.3.1 The release of the covenant will facilitate the redevelopment of this site, which supports the Best Council Plan 2018/19 – 2020/21 objectives, encouraging regeneration of an obsolete building and adding to the economy of the city.

4.4 Resources and Value for Money

- 4.4.1 The financial receipt to be realised from the proposed release of the restrictive covenant will support the Council's revenue budgets.

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 Asset Management 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 Property Services 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 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 negotiation of a release of a restrictive covenant then it is not in the public interest to disclose this information at this point in time as this could undermine this method of negotiation and affect the integrity of releasing restrictive covenants 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 parties involved in other similar transactions could use this information to influence the 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 The risks and options associated with this proposal are considered in the confidential appendix.

5 Conclusions

- 5.1 It can be concluded that the restrictive covenant imposed on the sale of land in 1993 can be released on the terms reported in the confidential appendix to facilitate the redevelopment of Holdforth Court.

6 Recommendations

- 6.1 It is recommended that approval is given to a release of the restrictive covenant on land at Holdforth Court, Brussels Street, Leeds, LS9 in order to facilitate the redevelopment of the site.

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.