



Report of Council Housing Growth Team
Report to Head of Council Housing Growth
Date: 30 July 2019
Subject: Authority to Spend – Acquisition and demolition of The Gate (Former Public House), Kentmere Avenue, Seacroft, LS14

Are specific electoral wards affected? If yes, name(s) of ward(s): Killingbeck and Seacroft	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Has consultation been carried out?	<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
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number 1: Appendix 1 to this report has been marked as exempt under Access to Information Procedure Rules 10.4 (3) on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) which, if disclosed to the public, would, or would be likely to prejudice the commercial interests of that person or of the Council. The information is exempt if and for so long as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. In this case the report author considers that it is in the public interest to maintain the exemption.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Summary

1. Main issues

- ‘The Gate’ former public house site is derelict, unsecure and is a nuisance site in terms of anti-social behaviour and fly-tipping.
- In April 2019, the Director of Resources and housing gave approval for the Land and Property Team to negotiate terms to acquire the tenant’s leasehold interest, demolish the building and re-develop the site for council housing through the Council Housing Growth Programme.
- Terms for the acquisition have been agreed with the tenant and these will be submitted for approval by the Chief Officer, Asset Management and Regeneration. The lease acquisition costs and demolition costs will be funded by the Council Housing Growth programme budget.

- This report seeks Authority to Spend for the lease acquisition and demolition costs so that this work can be progressed.

2. Best Council Plan Implications

- The proposal for re-developing the site for housing would contribute to the target of delivering 1,500 homes in the next five years, in line with Best Council Plan targets to increase the number of new affordable homes and to support sustainable and inclusive growth.

3. Resource Implications

- The acquisition and demolition costs are to be funded from the existing Council Housing Growth Programme phase 1 unallocated budget (capital scheme 16692/000/000). This work will be funded via a combination of either retained Right to Buy receipts or Homes England Grant, blended with HRA borrowing.

Recommendations

The Head of Council Housing Growth is requested to:

- a) Authorise the lease acquisition expenditure set out in Confidential Appendix 1.
- b) Authorise the expenditure required to demolish the former public house building on the site detailed in Confidential Appendix 1.
- c) Note that these costs are to be funded from existing Council Housing Growth Programme unallocated budget (capital scheme 16692/000/000) – with the ultimate decision about funding mix for the scheme, including these costs, to be delegated to the Director of Resources and Housing.
- d) Note that a report is being submitted in parallel with this report to the Chief Officer, Asset Management and Regeneration to approve the lease acquisition terms.

1. Purpose of this report

- 1.1 This report seeks Authority to Spend to enable the lease on the 'The Gate' former public house site to be acquired and for the existing building to be demolished. Demolition of the building will address nuisance issues on the site and improve its visual amenity.

2. Background information

- 2.1 The site is identified on the attached plan (Appendix 2). The site is owned by the Council and is subject to a ground lease. In April 2019, the Council's Land and Property team obtained approval from the Director of Resources and Housing to acquire the lease, demolish the existing building and re-develop the site under the Council Housing Growth Programme. The report stated that the Council House Growth Programme would fund this course of action.

- 2.2 Land and Property have now agreed terms for the acquisition of the lease. The terms will be submitted to the Chief Officer, Asset Management and Regeneration for approval.
- 2.3 A capital injection of £90.9m was approved into the Council Housing Growth Programme by Full Council in February 2019. The total funding for the Council Housing Growth Programme currently stands at £203.6m of which £56.0m is spent to date. The unallocated element of the phase 1 programme (capital scheme 16692/000/000) is £5.9m and some of this unallocated budget will be used to fund this site acquisition and demolition.

3. Main issues

- 3.1 The site is derelict, unsecure and has been subject to re-occurring instances of fly-tipping. Killingbeck and Seacroft Ward Members have raised concerns in regard to the condition of the building, as have local residents as to the negative impact the site is considered to be having on the surrounding area. The site was subject to a Yorkshire Evening Post article following an approach by a local resident.
- 3.2 Proposals to re-develop the site for council housing through the Council Housing Growth Programme are being considered. However, the nuisance issues mentioned above mean that the demolition of the existing building and securing the site needs to be done as a priority.
- 3.3 The cost to acquire the lease has been agreed with the leaseholder. An estimate has been sought from the Council's Corporate Property Management Team for the estimated cost for the demolition of the building. The cost breakdown is contained within Appendix 1 (confidential). Authority to spend is required for £220,000.
- 3.4 The Council House Growth Programme Team are investigating options for the re-development of the site for new build council housing which will be subject to a further report.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 As part of the established process for this programme, the Council Housing Growth Programme has engaged housing management, housing finance, land and property, and other internal stakeholders in relation to this report.
- 4.1.2 Killingbeck and Seacroft Ward Members have been consulted and have expressed their support for the site to be developed for new build council housing as part of the Council Housing Growth Programme. The ward members are also of the view that any proposed re-development should benefit the wider locality and improve linkages with the Kentmere Community Centre, Rein Park and Ramshead Hill shopping parade. Local residents and local Ward Members will be consulted as this scheme progresses.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 An Equality and Diversity screening has been undertaken, it is concluded that a full assessment is not required. The screening form is attached at Appendix 3 to this report.

4.3 Council policies and the Best Council Plan

- 4.3.1 This site is in a key location, directly adjacent to one of the Council's Priority Neighbourhoods. It is a nuisance site as explained above. The demolition of the derelict building and its re-development will improve the visual amenity of the area and will help address some of the issues associated with the site.
- 4.3.2 The development of new council housing will address priorities within the City Priority Plan to provide additional affordable housing and support housing growth.
- 4.3.3 The Council Housing Growth Programme Update submitted to Executive Board in June 2019, set out the activity being taken through the programme to respond to the climate emergency. The proposed new housing will be built to the Leeds Standard which primarily focusses on cutting carbon, improving air quality and tackling fuel poverty, and central to this is the well-being of tenants.

4.4 Resources, procurement and value for money

- 4.4.1 The demolition will be undertaken by the Council's internal service provider in line with Council's Contract Procedure Rules.
- 4.4.2 It is considered that this proposal represents value for money, as it will help address a nuisance site, contribute towards an increase of council homes within Leeds, and assist in regenerating and improving the local area around the subject site.

4.5 Legal implications, access to information, and call-in

- 4.5.1 This is a Significant Operational Decision and as such is not eligible for call in.
- 4.5.2 The Council's Constitution sets out the Officer Delegation Scheme in respect of council functions and executive functions. The Officer Delegation Scheme includes the power for officers to delegate further any function which has been delegated to them under the scheme, to another officer or officers of suitable experience and seniority. Under the Director of Resources and Housing's sub-delegation scheme, the Head of Council Housing Growth has authority to take decisions up to a value of £250k within the programme's remit of increasing the stock of council housing in Leeds.
- 4.5.3 Appendix 1 to this report has been marked as exempt under Access to Information Procedure Rules 10.4 (3), please see the cover page.

4.6 Risk management

- 4.6.1 It is considered that if the recommended course of action is not pursued, there is a high risk the subject premises will continue to decline and result in increased dissatisfaction of local residents. An opportunity to increase the number of Council homes within the city could also be missed.
- 4.6.2 Delivery of the proposals set out in this report will contribute to mitigating one of the council's corporate risks around failure to meet additional housing supply targets and the consequent lack of homes for people in Leeds.

5. Conclusions

- 5.1 Authority to Spend approval is required to acquire this site and to demolish the existing building. Demolishing the building will help address a number of issues, such as anti-social behaviour and will improve the visual amenity of this area, and will enable the site to be re-developed as part of the Council Housing Growth Programme.

6. Recommendations

- 6.1 Head of Council Housing Growth is requested to:
- a) Authorise the lease acquisition expenditure set out in Confidential Appendix 1
 - b) Authorise the expenditure required to demolish the former public house building on the site detailed in Confidential Appendix 1 and section 3.3 of this report.
 - e) Note that these costs are to be funded from existing Council Housing Growth Programme unallocated budget (capital scheme 16692/000/000) – with the ultimate decision about funding mix for the scheme, including these costs, to be delegated to the Director of Resources and Housing.
 - c) Note that a report is being submitted in parallel with this report to the Chief Officer, Asset Management and Regeneration to approve the lease acquisition terms.

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.