

## Report of Land and Property

### Report to Director of City Development

Date: November 2019

Subject: Land at Main Street Carlton

Are specific electoral wards affected? If yes, name(s) of ward(s): Rothwell	<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	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

## Summary

### 1. Main issues

- Outline planning permission to build 129 dwellings has been secured by Miller Homes on land at Main Street Carlton, a small area of this land is owned by Leeds City Council.
- The area of land owned by the council is an opportunity to generate a capital receipt.
- The area of land owned by the council is on the List of Assets of Community Value.

### 2. Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

- The disposal of the land will generate a capital receipt, which supports the Best Council Plan by promoting sustainable and inclusive economic growth through generating income for the Council.
- The disposal of the land will assist with the assembly of a housing development site therefore it supports the Best Council Plan by generating new housing.

### 3. Resource Implications

- The land is no longer required by the Council and no operational reason has been identified to justify its retention. In these circumstances, a disposal represents

prudent and economic asset management, obviating holding costs associated with managing the property and therefore supports best value objectives of the Council.

## **Recommendations**

- a) Declare the land surplus to council requirements to enable the progress of an onward sale.
- b) Undertake the appropriate notifications and offer process under the Asset of Community Value procedure.
- c) The Council enters into discussions with the developer (named in the confidential appendix) to seek an offer from them. It should be noted that this is in accordance with the Asset of Community Value rules.
- d) To note that a further report will be brought back to the Director of City Development to consider the offers received.

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

- 1.1 The purpose of the report is to seek the relevant approvals to enable the sale of the subject land which will be progressed in accordance with the Asset of Community Value procedure. This will include the negotiation with the developer (as named in the Confidential Appendix) and the relevant community group to secure a suitable capital receipt.

### **2. Background information**

- 2.1 The attached plan in appendix 2 shows the subject land. The proposed development site is edged in red and the Council owned land is blocked in blue. The proposed development site extends to approx. 4 hectares. The majority of the development site is on an adjoining landowners land.
- 2.2 There is a lease agreement on part of the Council owned land further details can be found in the confidential appendix.
- 2.2 The only real prospect of access to the development site is across the Council's land. Other than that the developer would have to negotiate the purchase of private dwellings fronting on to Main Street to form an alternative access point.
- 2.3 The site is being assembled by a development company, acting on behalf of a housing developer.
- 2.4 The development company first approached the Council in approximately 2012 to discuss acquiring the Council's land. However, at this time, there was no planning permission on the site with the main allocation on the site being Protected Area of search under the previous UDP. The status was in order to hold the land for future development and at this point planning were not supportive of it being developed. There were sensitivities relating to the development of the site and previously Ward Members had objected to the disposal of the Council land.
- 2.5 The developer has recently successfully appealed a refused planning application and gained outline planning permission. The outline permission ref 18/00370/OT was granted on appeal on 13 March 2019 for 129 dwellings on the site with all matters reserved except for access. The site is made up of a number of planning

allocations two assigned for housing and a section of safeguarded land which gave rise to the original refused application. The permission was granted on appeal for a number of reasons including the Councils lack of five year housing supply which outweighed the conflict with safeguarding policies.

- 2.6 On the grant of outline planning permission, the developer has reopened engagement with the Council in order discuss the possibility of acquiring the Council's land.
- 2.7 The area of land owned by the Council was put on the List of Assets of Community Value in 29<sup>th</sup> December 2015 meaning local community groups will need to be advised of its disposal and given 6 weeks to express an interest. If an interest is expressed they will then have a further 4 and a half months to prepare a bid. A plan appended to this report details the land on the List of Assets of Community Value.

### **3 Main issues**

- 3.4 The approved outline planning application 18/00370/OT for the development site details the access across the Council owned land. The area of lands approx. 0.22 hectares provides the only real prospect of access to the site. The developer has made an offer to purchase this land details of which can be found in the confidential appendix.
- 3.5 The Council planning department objected to the planning application for 129 dwellings but it was subsequently granted on appeal.
- 3.6 Part of the land in Council ownership is on the List of Assets of Community Value as detailed in appendix 3

### **4 Corporate considerations**

#### **4.1 Consultation and engagement**

- 4.1.1 Ward Members were consulted 23<sup>rd</sup> July 2019 and raised no objections to the disposal of the land.

#### **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 disposal of the property will generate a capital receipt, which supports the Best Council Plan by promoting sustainable and inclusive economic growth through generating income for the Council.

#### Climate Emergency

- 4.3.2 The subject property is a cleared site and is to be used to build new homes. Any new properties will comply with current legislation regarding energy efficiency. All development proposals will be subject to planning permission, which will further consider the impact this site will have on the climate.

#### **4.4 Resources, procurement and value for money**

4.4.1 Further to this the land surplus to the Council's requirements and no operational reason has been identified to justify its retention. In these circumstances, its disposal represents prudent and economic asset management, obviating holding costs associated with managing the property and therefore supports best value objectives of the Council.

#### **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, Head of Land and Property and Deputy 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 will assist in Council determining 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 subject site was listed as an Asset of Community Value in December 2015 and will remain on the list for 5 years. The effect of this is that the Council as land owner is required to notify the listed community groups of its intention to sell the site. This will enable the group a period of up to 6 weeks to lodge a non-binding expression of interest to purchase. If an expression of interest is submitted the sale process will have to be paused for a further period of four and half months (moratorium period) to enable the community group the opportunity to raise funds to bid for the property, potentially in competition with other interested parties. This gives the bidders a total of six months to raise the funds. During the moratorium period the Council as landowner can pursue discussions about the sale with other parties but may not exchange contracts. At the end of the moratorium period the council as land owner is free to dispose to whoever it chooses.

4.5.6 The information contained in the Appendix attached to this report relates to the financial or business affairs of a particular person (s), 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 discussions 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 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 There is no risk with the council seeking to sell its site by way of inviting offers for it.

#### **5 Conclusions**

5.4 The Council should seek to sell the subject site by way of inviting offers.

#### **6 Recommendations**

- a) Declare the land surplus to council requirements to enable the progress of an onward sale.
- b) Undertake the appropriate notifications and offer process under the Asset of Community Value procedure.
- c) The Council enters into discussions with the developer (named in the confidential appendix) to seek an offer from them. It should be noted that this is in accordance with the Asset of Community Value rules.
- d) To note that a further report will be brought back to the Director of City Development to consider the offers received.

#### **Background documents<sup>1</sup>**

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.