



Report of Head of Land and Property
Report to Director of City Development
Date: December 2019
Subject: Land at Clarence Road, Hunslet

Are specific electoral wards affected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, name(s) of ward(s):	Hunslet & Riverside
Has consultation been carried out?	<input type="checkbox"/> Yes <input checked="" 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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If relevant, access to information procedure rule number:	10.4 (3)
Appendix number:	1 & 2

Summary

1. Main issues

- The subject land, shown on the attached plan, is a Council owned brownfield site and extends to approx 1.37ha (3.38a). The site is being used temporarily as a highways storage and loading yard until such a date that the land is sold. The site is allocated within the adopted Aire Valley Leeds Area Action Plan as a phase 1 Mixed Use Development of 90 residential units and 10,500 sqm of office space.
- The subject land falls within the Hunslet Riverside Regeneration Delivery Plan which received Executive Board approval on 19 April 2017 and identifies a primary school as an important component in supporting the development of the area into a sustainable mixed use neighbourhood.
- In October 2018 the Director of City Development declared the subject site surplus to Council requirements and approved the terms of the sale to CITU. This report was taken as a key decision.
- Contract negotiations have necessitated the need to revise some of the previously agreed terms. This report recommends that the Director of City Development approves the revisions and notes the additional information contained within the confidential appendix.

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

- The proposal to dispose of land to facilitate the redevelopment of the site by CITU as outlined within the report is key to the regeneration proposals for the area and supports the delivery of the 2018/19 Best Council Plan priorities relating to Inclusive Growth, Housing and Sustainable Infrastructure.

3. Resource Implications

- The sale of the land will be at market value and a capital receipt will be realised.

Recommendations

- It is recommended that the Director of City Development approves the revisions to the previously approved sale terms for the land at Clarence Road, the details of which are contained within the confidential appendix.

1. Purpose of this report

- 1.1 To recommend that the Director of City Development approves the revised sale terms for the sale of the Council land at Clarence Road.

2. Background information

- 2.1 In October 2018 sale terms for the Council owned land on Clarence Road to CITU were approved by the Director of City Development.
- 2.2 The proposed development by CITU is primarily residential led but with some ancillary uses. Due to the scale of the proposal, the development is to be phased. The first phase of the scheme is a multi-generational building (the phase 1 development) which comprises of a new primary school, nursery, 70-bed care home, 72No. flats, and a café. The second phase is proposed to be a residential led scheme that is currently not as fully designed. To accommodate this phased approach, the Council will dispose of its land in 2 phases (phase 1 land & phase 2 land).
- 2.3 The phase 1 land will be released in the first instance to accommodate the phase 1 development and the phase 2 land will be released at a later date, once elements of the phase 1 development have been completed. The land (phase 1 & 2) will transact at Market Value.
- 2.4 The phase 1 land will be sold to CITU on a long Leasehold basis. The Lease will allow CITU to develop the land in accordance with their planning consent. In the event that the development is not completed in accordance with this consent, an early determination clause will become exercisable by the Council. Should CITU complete construction of the school element of the phase 1 development, then they will have the option to drawdown the Council's Freehold interest in both the leased phase 1 land and the remaining phase 2 land.
- 2.5 The previously agreed terms allowed for the land required for the school to be drawn down under a Lease. The terms did not specify the location of the school within the site, however at the time it was envisaged by both parties that it would be located within the northern element of the site. The location has now changed and the multigenerational building will be located within the southern element of the site and will span partly over land already within CITU's ownership (CITU Holdings).

- 2.6 Sale contracts were drafted in accordance with the previously approved sale terms, however, as result of scheme advancements and development delivery planning, some revisions to the agreed terms are required.

3. Main issues

- 3.1 As scheme proposals have advanced in terms of design, funding arrangements and end user negotiations, some amendments are required to the originally approved terms that warrant approval. In addition to the revisions, additional clauses have been added to the contract documentation. These additions are detailed within the confidential appendix together with supporting reasoning.
- 3.2 Legal documents have been agreed in the form of an Agreement for Lease, a Lease and the transfer documents relating to both the phase 1 & phase 2 land.
- 3.3 The confidential appendix details the amended terms that have been agreed (subject to approval) between parties.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The Education Skills Funding Agency is supportive of the principle of a new primary school within Leeds City Centre and both CITU and the proposed operator have been in consultation with Children's Services.
- 4.1.2 The Executive Member for Regeneration, Transport and Planning has been briefed and is supportive of negotiations progressing with CITU.
- 4.1.3 The Executive Member for Learning, Skills and Employment has been briefed on the proposal.
- 4.1.4 Hunslet and Riverside Ward Members were briefed as part of the production of the Hunslet Riverside Delivery Plan of which school provision is a key component and were supportive of the proposal. Members were briefed on 23rd October 2018 regarding the sale of the land on a one to one basis to CITU to construct a two form entry primary school as part of the wider development of the site. Members were requested to provide any comments they had by 30th October 2018 and none were received.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 In formulating proposals for the regeneration of the Hunslet Riverside, the potential impacts on equality, diversity and cohesion and integration issues were considered. This exercise noted the areas of strategic importance in terms of helping to improve connections with the adjoining areas of Hunslet, Cross Green and Richmond Hill. Regeneration efforts in this area, are helping communities in this neighbourhood access the benefits of economic growth and employment opportunities within the city centre.
- 4.2.2 The provision of a school in this location will also increase the range and offer of provision accessible by the adjoining communities of Cross Green and Hunslet.

4.3 Council policies and the Best Council Plan

- 4.3.1 The proposal to dispose of land to facilitate the redevelopment of the site by CITU as outlined within the report is key to the regeneration proposals for the area and supports the delivery of the 2018/19 Best Council Plan priorities relating to Inclusive Growth, Housing and Sustainable Infrastructure.
- 4.3.2 CITU aim to accelerate the transition to zero-carbon cities. The proposed development has been designed around recognised key principles for creating truly sustainable places to live, focusing on promoting positive behaviours linked to transport, energy, housing and ecosystems.

4.4 Resources, procurement and value for money

- 4.4.1 The sale of the land will be at market value and the Council will realise a capital receipt.

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 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 Counsel Opinion has been obtained in relation to compliance with the Council's obligations pursuant to the Public Contracts Regulations 2015.

4.6 Risk management

- 4.6.1 The proposed revisions do not alter the Council's position should the risks identified within the confidential appendix materialise, however further detail is provided within the confidential appendix in relation to the likelihood of their occurrence.

5. Conclusions

- 5.1 It is concluded that the proposed revisions to the previously approved sale terms will continue to deliver the comprehensive redevelopment of this brownfield site.

6. Recommendations

- 6.1 It is recommended that the Director of City Development approves the revisions to the previously approved sale terms for the land at Clarence Road, the details of which are contained within the confidential appendix.

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.

