

Report of: Land and Property (City Development)**Report to: Director of City Development****Date: 27/02/20****Subject: South Leeds Golf Club, Leeds LS11 5TU.**

Are specific electoral wards affected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, name(s) of ward(s): Middleton Park, Beeston and Holbeck	
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:	
Appendix number: 1	

Summary of main issues

1. The subject site is owned by the Council and let to South Leeds Golf Club (SLGC) by way of a 75 year lease which commenced on 31st August 1976.
2. SLGC have gone into administration and are no longer in occupation of the site. The administration company was appointed on 18th December 2019.
3. The site has been subject to ongoing vandalism and is at risk of continued malicious damage as a result of being unoccupied.
4. An opportunity has arisen for the Council to accept the surrender of the leasehold interest from the administrator with a view to delivering vacant possession of the site.
5. Negotiations have been undertaken with the administrator to accept the surrender of the leasehold interest and terms have been provisionally agreed.

Recommendations

- The Director of City Development is asked to approve the proposed surrender of the leasehold interest of the subject property. Officers in City Development will oversee the acquisition's implementation.
- The Director of City Development is asked to authorise expenditure of £100,000 which will be fully funded from the 2019/20 Capital Programme. This will comprise of £87,000 for the surrender and an additional £13,000 for associated professional fees and the cost of securing the site.
- The Director of City Development is asked to agree to the Council taking maintenance responsibility for the site and premises from the 6 March 2020 or earlier.

1. Purpose of this report

1.1 The purpose of this report is to:-

- Advise as to the current issues regarding the site and the discussions undertaken with the administrator to acquire the leasehold interest.
- Seek approval to the proposed surrender of the leasehold interest of the property on the terms provisionally agreed.
- Confirm that the cost of the acquisition of the leasehold interest be met by the Council's Capital Programme Contingency.

2. Background information

- 2.1. The subject site is identified on the attached plan and measures approximately 118 acres. Details of the current lease are contained in the confidential appendix. The site is vested with Parks and Countryside.
- 2.2. SLGC took occupation of the property in 1976 under a 75 year lease agreement with the Council. The lease was later amended in 2005 when SLGC took on additional land and the rent was converted into a peppercorn rent in exchange for a premium.
- 2.3. SLGC ceased trading in November 2019 and an administrator was subsequently appointed in December 2019. It is understood that a decline in memberships and ongoing vandalism of site contributed to SLGC's inability to continue trading at the property.
- 2.4. The administrator has very recently made the Council aware of its intention to market the unexpired leasehold interest of the property on the open market and has enquired as to whether the Council would willing to consider a purchase of this interest, with a requirement to make a without prejudice bid by Tuesday 25th February.
- 2.5. The property has been subject to ongoing vandalism since SLGC vacated and it considered likely this issue will continue given the vulnerability of the site and its relatively isolated location.

3. Main issues

- 3.1. Further to the Council making a without prejudice offer on the 25th February 2020, negotiations have been undertaken with the Administrator to agree the terms of the surrender of the leasehold interest. The terms contained within the confidential appendix have been provisionally agreed.
- 3.2. The surrender of the lease would give the Council control of the site and allow for an early solution to the ongoing issues associated with the land and buildings.
- 3.3. Taking the land back into the Council's control will also enable the expansion of the Middleton Park Estate as a significant recreational amenity for South Leeds. This could include new routes for cycling, walking and running. In addition, the land presents an opportunity to undertake extensive tree planting as part of the Council's plans to create more woodland on its land as agreed by Executive Board in January 2020.
- 3.4. The proposals for the land in the future will be considered by the Council's Parks and Countryside Service and brought to Executive Board for consideration and approval later in 2020.
- 3.5. It is proposed that accepting the surrender is to be funded by the Capital Programme Contingency.
- 3.6. The Director of City Development has granted approval for the Council to insure the property for the interim period to the date of the proposed acquisition.
- 3.7. As part of the proposals outlined in this report, the Director of City Development is also asked to grant approval for the Council to take measures to secure the property prior to the proposed acquisition with the agreement of the Administrator and to bring the land and properties onto the Council's insurance by the 6th March 2020 or earlier.

4. Options

In terms of options, the Council could do the following:-

a) **Do nothing and allow the leasehold interest to be marketed by the administrator.**

The administrator could dispose of the leasehold interest to a third party who would then assume the obligations under the existing lease, including the obligation to keep the land and buildings in tenantable repair. It is considered however that there is a risk that the issues associated with the site could still continue under any new occupier for an indeterminate period.

b) **Approve the terms provisionally agreed to accept the surrender of the lease and that funding for the acquisition be met by the Capital Programme Contingency.**

This is recommended as it represents an opportunity to achieve an early resolution to the immediate issues at the site. It would also give the Council control of the site along with the opportunity to implement any plans it has to promote a sustainable use of the site going forward.

5. Corporate considerations

5.1. Consultation and engagement

- 5.1.1 Middleton Park and Beeston and Holbeck Ward members have been consulted and are supportive of the proposal to acquire the leasehold interest. The Executive Member for Resources was also consulted on 28th February 2020 and is supportive of the proposal as is the Executive Member for Environment and Active Lifestyles.

5.2. Equality and diversity / cohesion and integration

- 5.2.1 There are not considered to be any equality and diversity/cohesion and integration issues arising from this proposal.

5.3. Council policies and best Council plan

- 5.3.1 The proposals in this report support the Vision for Leeds 2011 to 2030 and in particular the aspiration that 'there are high quality buildings, places and green spaces, which are clean, looked after, and respect the city's heritage, including buildings, parks and the history of our communities' as part of the overall aim that 'all Leeds' communities will be successful'. The proposals contribute to the Best Council Plan outcomes to 'enjoy happy, healthy, active lives', and 'enjoy greater access to green spaces, leisure and the arts' and also priority 20 'enhancing the quality of our public realm and green spaces'.

Climate Emergency

- 5.3.2 The proposals in this report will contribute to the Council's commitment to make Leeds net carbon neutral by 2030 following the declaration of a climate emergency in March 2019 by bringing back into Council control some 118 acres of land. In turn the Council will be able to decide on how, through its management of the land, it will seek to enhance the biodiversity of the site and the potential for extensive tree planting with the carbon sequestration benefits that would follow.

5.4. Resources and value for money

- 5.4.1 The surrender costs are to be funded by the Council's Capital Programme contingency.
- 5.4.2 Under the terms of the existing lease, the rent would remain at a peppercorn rent until 31st October 2044, therefore there would not be a loss of any immediate rental income streams.

5.5. Legal implications, access to information, and call-in

- 5.5.1 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.

- 5.5.2 The Chief Officer - Asset Management and Regeneration 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.
- 5.5.3 The proposal constitutes a significant operational decision and is therefore not subject to call in.
- 5.5.4 The information contained in the Appendix to this report relates to the financial or business affairs of a particular individual and of the Council. This information is not publically available from the statutory registers of information kept in relation to certain companies and charities. It is considered that since this information was obtained through one to one negotiations for the purchase of the land/property referred to, it is not in the public interest to disclose this information at this point in time. Also the release of such information would or would be likely prejudice the Council's commercial interests in relation to and undermine its attempts to acquire by agreement similar properties in the locality, in that owners of similar properties would be aware about the nature and 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 available from the Land Registry following completion of the purchase 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 Rules.

5.6. Risk management

- 5.6.1 It is considered that if the recommended course of action is not pursued, there is a risk the subject site will continue to decline and result in increased dissatisfaction of the local community. An opportunity for the Council to take control of the site to implement positive future uses for the site would also be missed.
- 5.6.2 There is also the risk that until the point the sale is completed, the administrator could take the decision not to sell the leasehold interest to the Council, or that the administrator might seek to renegotiate the provisionally agreed terms, however this is considered to be a low risk.

6. Conclusions

- 6.1 It is considered the recommended option outlined in this report would be the most appropriate course of action that gives full control to the City Council for 118 acres of open space in South Leeds. In turn this action presents an opportunity to enhance the recreation facilities locally and progress complementary works that supports the Council's objective to mitigate the impact of Climate Change.

7. Recommendations

- The Director of City Development is asked to approve the proposed surrender of the leasehold interest of the subject property. Officers in City Development will oversee the acquisition's implementation.

- The Director of City Development is asked to authorise expenditure of £100,000 which will be fully funded from the 2019/20 Capital Programme. This will comprise of £87,000 for the surrender and an additional £13,000 for associated professional fees and the cost of securing the site.
- The Director of City Development is asked to agree to the Council taking maintenance responsibility for the site and premises from the 6 March 2020 or earlier.

8. Background documents¹

8.1 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.

