



**Report of** Head of Land & Property  
**Report to** Director of City Development  
**Date:** May 2020  
**Subject:** Sale of Council Land at Red Hall

Are specific electoral wards affected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, name(s) of ward(s):	Crossgates & Whinmoor
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?	<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 Red Hall site extends to approximately 49.5 acres (20 ha) net of the land required for the East Leeds Orbital Road (ELOR) and comprises the Council's former commercial nurseries, listed buildings and former playing fields.
- The site is allocated for housing within the Council's adopted Site Allocation Plan and is located within a highly sustainable, prime area of north Leeds. As such, the site has been identified as a key, high value asset within the Council's Capital Receipts Programme.
- A national agent was appointed to market the site on behalf of the Council. On the 8 November 2019 the site was advertised for sale, with offers invited by a closing date of 17 January 2020. Significant interest was generated from the marketing campaign.
- On the 5 March 2020 the Director of City Development approved the shortlisting of bids and the invitation of best and final offers from these parties by a closing date.
- Best & final bids, along with associated scheme proposals, have now been evaluated by the appointed agent, Land & Property, Regeneration, Finance & Planning Officers.

- It is recommended that a Preferred Bidder is selected, the identity and sale terms of which are detailed within the Confidential Appendix. It is also recommended that a Reserve Bidder is selected should the Council fail to agree final sale terms with the Preferred Bidder.

## **2. Best Council Plan Implications**

- The sale of the Council land will enable the delivery of the East Leeds Extension and will make a significant contribution towards the Best City Priorities within the Best Council Plan of Inclusive Growth and Housing.

## **3. Resource Implications**

- The method of sale will generate best value.

## **Recommendations**

- It is recommended that the Director of City Development approves the sale of the subject site to the Preferred Bidder, the details and terms of which are detailed within the Confidential Appendix.
- It is recommended that the Director of City Development approves the selection of the Reserve Bidder detailed within the Confidential Appendix.

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

- 1.1 The purpose of this report is to present the offers and associated scheme proposals received as a result of the marketing of the subject site and to recommend that the Council's freehold interest be sold to the selected Preferred Bidder under the terms detailed within the confidential appendix.

### **2. Background information**

- 2.1 On 21 October 2015 Executive Board resolved that approval be given to the approach detailed within the report towards the marketing and disposal of the Red Hall site, with the details to be confirmed by the Director of City Development in consultation with the Executive Member for Regeneration, Transport and Planning.
- 2.2 On 13 February 2019 Executive Board resolved that approval be given for the list of land and property sites to be disposed of in order to generate capital receipts for use in accordance with the MRP policy. The Red Hall site features on this list.
- 2.3 On 18 July 2019 the Chief Officer Asset Management & Regeneration approved the procurement and subsequent appointment of a national agent for the marketing of the site.
- 2.4 On 7 January 2020 Executive Board resolved that a list of land and property sites be approved for disposal, of which the Red Hall site features as a key high value asset within this list.

- 2.5 On 5 March 2020 the Director of City Development approved the recommended list of shortlisted parties and that best and final offers be invited from them.
- 2.5 Red Hall forms the northern most quadrant of the East Leeds Extension (ELE). The progression of housing development within the ELE is closely linked to the provision of the new ELOR, the major new transport infrastructure around the eastern edge of the housing allocation.
- 2.6 The Local Planning Authority has determined that ELOR should be funded by contributions from developers across the East Leeds Extension. The amount of the ELOR contribution for Red Hall will be determined with reference to the cost of section 1 (from A6120 ring road to A58) and will be secured through a planning agreement.
- 2.7 The final amount of the contribution for Red Hall is not yet known and offers gross of this contribution were invited. Once known, the amount will be deducted from the selected gross offer received.

### **3. Main issues**

- 3.1 The best and final offers received have been evaluated by Council Officers and the appointed agent. A Preferred Bidder is recommended for approval along with an under bidder to be held in reserve should parties fail to agree final sale terms.

## **4 Corporate considerations**

### **4.1 Consultation and engagement**

- 4.1.1 The Executive Member for Resources Cllr James Lewis was briefed on the 15 April 2020 and was supportive of the sale of the subject Council land to the Preferred Bidder.
- 4.1.2 The Executive Member for Climate Change, Transport & Sustainable Development Cllr Lisa Mulherin was briefed on the 10 February 2020 regarding the sale of the site.
- 4.1.3 Ward Members for Crossgates & Whinmoor have been briefed on a regular basis on the disposal of the Red Hall site, often within the context of the wider ELE and ELOR.
- 4.1.4 On Wednesday 6 May 2020 the top three best and final bids and associated scheme plans were shared with Cross Gates & Whinmoor Ward Members. The favoured scheme was that of the recommended Preferred Bidder.
- 4.1.5 At bid submission stage, schemes designs are in their infancy, however early comments were invited. The main area of concern raised was the proposed density of development and treatment of retained green space within the eastern area of the site. It was suggested that some of the areas of development within this area be relocated to other less sensitive areas of the site. Whilst maintaining the same net developable area of development, this would provide an opportunity to create a larger and more meaningful area of public open space. This space should be laid out as informal open space for the benefit of the wider community and not just the residents of the new development. Other design proposals were put forward such as tree planting along the site frontage to the A58.

- 4.1.6 The design comments provided by Ward Members at this stage are not exhaustive given the early stages of scheme development. Ward Members wish to have early involvement and input into the scheme as it evolves through the planning process.
- 4.1.7 As an overriding message relating to both the development of Red Hall and the wider East Leeds Extension, Ward Members emphasised the importance of early and good quality public consultation.

## **4.2 Equality and diversity / cohesion and integration**

- 4.2.1 There are none.

## **4.3 Council policies and the Best Council Plan**

- 4.3.1 The sale of the Council land to enable the delivery of the ELE will make a significant contribution towards the Best City Priorities within the Best Council Plan of Inclusive Growth and Housing.
- 4.3.2 The sale also contributes towards two of the big ideas within the Leeds Inclusive Growth Strategy, the first being supporting places and communities to respond to economic change by building more homes, the second being the development of 21<sup>st</sup> Century infrastructure through the indirect funding of ELOR.

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

- 4.4.1 The disposal of the site will be at Market Value.

## **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 the terms offered to the Council are most likely to result in the Council achieving 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 at this stage the information relates to the negotiations for the disposal of the property/land then it is not in the public interest to disclose this information at this point in time. 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 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 evaluation and bid clarification process seeks to limit the risks associated with the disposal of land.
- 4.6.2 Further risk management issues are detailed within the Confidential Appendix.

#### **5 Conclusions**

- 5.1 It is concluded that the offer submitted by the Preferred Bidder should be accepted and that the bidder identified within the confidential appendix be held in reserve should the parties fail to agree final sale terms.

#### **6 Recommendations**

- 6.1 It is recommended that the Director of City Development approves the sale of the subject site to the Preferred Bidder, the details and terms of which are detailed within the Confidential Appendix.
- 6.2 It is recommended that the Director of City Development approves the selection of the Reserve Bidder detailed within the Confidential Appendix.

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

- 7.1 There are 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.