



Report of Land and Property

Report to Director of City Development

Date: 3 July 2020

Subject: 1 Barden Place, Armley, LS12 3EQ

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

Summary

1. Main issues

- The purpose of this report is to recommend that 1 Barden Place be disposed of by auction. The reserve price will be agreed by the Head of Land and Property Services prior to the auction in accordance with powers delegated by the Director of City Development.
- The property has been in void management since it was vacated on 30 November 2016. A Resources and Housing assessment deemed the property to be too costly to bring to the council's required standard and meet all regulations for re-letting.

2. Best Council Plan Implications

- The disposal will result in a capital receipt to the Council that will contribute to the Best Council Plan by supporting communities and promoting sustainable and inclusive economic growth

3. Resource Implications

- The property is surplus to Council 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 the best value objectives of the Council.

Recommendations

- a) It is recommended that approval be given to declare 1 Barden Place surplus to Council requirements and its sale by way of auction.

1. Purpose of this report

- 1.1 The purpose of this report is to seek approval to declare 1 Barden Place surplus to Council requirements and its sale by way of auction.
- 1.2 The Director for Resources and Housing declared the property surplus to Council requirements 21 August 2018.

2. Background information

- 2.1 1 Barden Place is a three storey, street lined Victorian back-to-back double fronted end of terrace previously used as a shop with living accommodation above.
- 2.2 The Director for Resources and Housing declared the property surplus to Council requirements 21 August 2018 following an assessment which concluded rising maintenance and repair costs proved to be financially unviable to re-let the property. The property was last occupied and used as a local store/off licence until 30 November 2016.
- 2.3 The Council had originally agreed terms to sell the property in 2018 but following terms being agreed this sale fell through and therefore it is now proposed to sell by auction

3. Main issues

- 3.1 The property is not considered suitable for alternative Council uses and it is therefore proposed to sell.
- 3.2 The adjoining shop owner previously rented 1 Barden Place (the subject property) from the Council as an extension to his shop and has expressed interest in purchasing. It is proposed, however, that the property be advertised for sale on the open market by auction to determine whether there is any other interest. Recent auction sales of similar properties have proved successful.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Ward Members were consulted on 2 July 2020, regarding the proposed sale. Councillor James McKenna replied on 3 July 2020 confirming no objection to the sale. No other comments have been received.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 Marketing details can be made available in other languages, Braille etc, if requested. There are no other equality, diversity, cohesion or integration implications arising from this proposal.

4.3 Council policies and the Best Council Plan

- 4.3.1 The disposal will result in a capital receipt to the Council that will contribute to the Best Council Plan by supporting communities and promoting sustainable and inclusive economic growth.

Climate Emergency

- 4.3.2 The property comprises a Victorian terrace. Only the upper floor have U-PVC double glazing, with the lower floor consisting of single pane windows and wooden doors to the front and side. It is likely that any new owners would carry out improvements to rectify this and therefore improve its energy efficiency. Any development proposals may be subject to planning permission, which would further consider the impact this site will have on the climate.

4.4 Resources, procurement and value for money

- 4.4.1 The property is surplus to Resources and Housing 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 site and therefore supports the 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 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 proposed method of disposal set out above is the method 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).

4.6 Risk management

- 4.6.1 There is a risk that the property may not sell. This is, however, considered unlikely given the number of parties currently expressing interest and recent auction results of other similar properties.
- 4.6.2 Options relating to the proposed disposal are considered below:
- a) **Option 1: Not to sell the property.** Retention of the property would require a high level of investment and maintenance to ensure its re-letting and cannot be justified.

It is therefore not recommended that the property should be retained and re-let due to its current state and it is considered that no incoming tenant would be prepared to invest in repairs.

- b) **Option 2: To sell the property on the open market by way of offers.** This is a possible option, but this method can take many months to conclude, particularly if parties need to secure funding and/or a planning permission, and does not offer the same level of certainty that the sale will complete or necessarily realise a higher receipt than auction.
- c) **Option 3: To sell the property by public auction.** This is the recommended option, particularly as it provides for a swift sale with the successful bidder required to exchange contracts on the day of the auction and complete the transaction four weeks later. This method generally achieves similar results to offers, but obviates holding costs associated with maintaining and securing vacant premises. Also, due to the number of interested parties in the property, this method could produce the highest receipt to the Council in a quicker timeframe than conventional offers.

5. Conclusions

- 5.1 It is concluded that there is no reason for the Council to retain 1 Barden Place and that it is declared surplus to Council requirements and sold by way of auction.

6. Recommendations

- 6.1 It is recommended that approval be given to declare 1 Barden Place surplus to Council requirements and it be sold by way of an auction.

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.