

Report of Land and Property
Report to Director of City Development
Date: August 2020
Subject: Sale of Council 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 10.4(3)

Summary

1. Main issues

- Outline planning permission to build 129 dwellings has been secured on land, comprising 4 hectares, at Main Street Carlton, a small area of this land is owned by Leeds City Council.
- The land owned by the Council forms the access to the larger development site. The Council owned land extends to approximately 0.22 hectares and provides an opportunity to generate a capital receipt.
- The small area of land owned by the council is on the List of Assets of Community Value. The relevant community groups were notified of the Councils intention to sell the land and as two community groups expressed their intention to bid the Full Moratorium period was triggered.

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.

- If bids are received from the Community these will be considered which supports the Council's Best city priorities to create Safe Strong Communities.

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) It is recommended that the Director of City development approves the sale of subject site to the Preferred Bidder, the details and term of which are within the confidential appendix.
- b) The Chief Officer notes that the Asset of Community Value process has been followed and in light of there being no offers received for the site/part of the site advertised and will be removed from the register in accordance with the formal process.

1. Purpose of this report

- 1.1 The purpose of the report is to present the offers received as a result of declaring the land surplus and notifying the relevant community groups under the Asset of Community Value procedure. This needs to be considered in light of the offer received by the Council from the developer of the adjacent land. To recommend that the Council's freehold interest be sold to the Preferred Bidder under the terms detailed within the confidential appendix.

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 with the Council land extending to approximately 0.22 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.
- 2.3 The site is being assembled by a development company.
- 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 On 5 December 2019 the Chief Officer Asset Management & Regeneration gave approval for the land to be declared surplus and enabling the progress of an onward sale. This included undertaking the appropriate notifications and offer process under the Asset of Community Value procedure. As well as continuing discussion with the developer (named in the confidential appendix) in accordance with the Asset of Community Value process.

Asset of Community Value

The area of land owned by the Council is on the lists of Assets of Community Value and the following process as referred to above has been followed.

- A nomination to add the land South of Main Street, Carlton WF3 3RW in the Rothwell ward, to the List of Assets of Community Value on the 2nd November 2015 from Carlton Village Neighbourhood Forum (CVNF).
- **Date listed: 29th December 2015**
- **Landowner notification of intention to dispose: 9th December 2019**
- **Disposal notification publicised on LCC website: 9th December 2019**
- **Informing nominators of intention to dispose: 9th December 2019**
- **Deadline to notify Council of intention to be treated as a bidder: 20th January 2020**
- **End of full moratorium period: 9th June 2020 (extended to 9th August see below)**

- From the date the landowner informs the Council of their intention to sell; eligible community groups have a period of six weeks to confirm whether or not they wish to submit a bid to purchase the property or land. If they do inform the Council that they want to bid, the landowner is prevented from disposing of the property for a period of six months (from the date they originally informed the Council of their intention to sell) unless it is to a community organisation. The landowner is free to dispose of the property at the end of the six month moratorium period to whomsoever they see fit.

- On the 9th December 2019, notification in line with Section 98(1) of the Localism Act 2011 a request from two eligible community interest groups ('Incredible Edible Wakefield' and 'Carlton Social Club') to be treated as a bidder in relation to the above land were received.

- Therefore, in line with Section 95(1) of the Localism Act 2011, the Full Moratorium period was triggered and the landowner was not able to enter into a relevant disposal of the land, as defined in Section 96 of the Localism Act 2011, before 9th June 2020.

- A 2 month extension was added to this date owing to Covid-19 restriction. The Full Moratorium period ended on the 9th August 2020. As no bids were received during this period, the landowner was able to progress with the disposal of the site. From the date the landowner informs the Council of their intention to sell; eligible community groups have a period of six weeks to confirm whether or not they wish to submit a bid to purchase the property or land. If they do inform the Council that they want to bid, the landowner is prevented from disposing of the property for a period of six months (from the date they originally informed the Council of their intention to sell) unless it is to a community organisation. The landowner is free to dispose of the property at the end of the six month moratorium period to whomsoever they see fit.

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.
- 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.
- 3.7 The offers received following the Assets of Community Value process have been evaluated by Council Officers. A Preferred Bidder is recommended for approval.

4 Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Ward Members were consulted 23rd July 2019 and raised no objections to the disposal of the land they have also been updated on progress regularly.

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. Two community groups expressed their intention to bid therefore the four and a half months (extended by two due to Covid19) moratorium period was triggered, ending on the 9th August 2020. 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 The evaluation of the bids seeks to limit the risk associated with the disposal of land.

5 Conclusions

- 5.4 It is concluded that the offer submitted by the Preferred Bidder should be accepted.

6 Recommendations

- 6.1 It is recommended that the Director of City development approves the sale of subject site to the Preferred Bidder, the details and term of which are within the confidential appendix.
- 7 The Chief Officer notes that the Asset of Community Value progress has been followed and in light of there being no offers received for the site/part of the site advertised and will be removed from the register in accordance with the formal process.

Background documents¹

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.