

Report of Director of City Development

Report to Executive Board

Date: 21st October 2020

Subject: Accelerated Capital Receipts and Estate Rationalisation

Are specific electoral wards affected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, name(s) of ward(s): Otley and Yeadon, Garforth and Swillington, Kirkstall, Temple Newsam, Chapel Allerton, Headingley and Hyde Park, Armley.	
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, access to information procedure rule number:	

Summary

1. Main issues

- Executive Board in September agreed the approach presented to rationalise the Council's property estate and accelerate the disposal of properties.
- This report sets out the schedule of properties which are to be progressed as a further tranche of accelerated disposals targeting auction.
- The release of properties will support the Council's financial position both in the form of cost savings and income generation to the Capital Receipts Programme, but will also ensure that our estate is appropriate in both form and size to support ongoing service delivery.

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

- The Council's land and buildings facilitates a range of service delivery and therefore contributes to the objectives, outcomes and priorities set out in the Best Council Plan, Inclusive Growth Strategy and Health and Well Being Strategy. The rightsizing and remodelling of the Council's estate supports the Best Council ambition to be 'an efficient, enterprising and healthy organisation'.

3. Resource Implications

- Having an affordable estate is essential to supporting the Council's budget position. Reducing the size of the estate will therefore support the aim for the Council to have

a sustainable, efficient, well maintained and well utilised estate which allows services to be delivered efficiently and effectively to residents across the city.

- In addition, the disposal of properties brings additional income into the Council in the form of capital receipts, which will help to support the Council's Medium Term Financial Strategy.

Recommendations

Executive Board is asked to:

- i. Support the accelerated disposal of properties as set out in Table 3.1 which have already been agreed as part of the Capital Receipt Programme.
- ii. Agree the injection of the additional properties to be introduced into the Capital Receipt Programme as set out in Table 3.2 and for these to be accelerated for disposal.
- iii. Note that further reports will be presented to Executive Board updating on progress and seeking approval to sell where properties do not form part of the current approved Capital Receipts Programme.
- iv. Note that the disposal of properties and identifying the strategic approach to our estate is the responsibility of the Director for City Development.

1. Purpose of this report

- 1.1 This report follows on from the report presented to Executive Board in September 2020 regarding the approach to Estate Realisation and generating Capital Receipts. This report provides more details of the proposed next tranche of accelerated disposal properties which are targeting December auction dates.

2. Background information

- 2.1 Leeds City Council owns and operates a large estate of building and land assets as set out in the report to Executive Board in September 2020. As detailed in that report, there is a need for the Council's estate to be rightsized, ensuring that it is fit for purpose and meets the changing needs of the Council, but importantly that it is affordable and sustainable. The proposed approach to estate realisation and the acceleration of property disposals was supported.
- 2.2 This paper builds upon the principles set out in September's report and which details the second tranche of accelerated disposals targeting December auction dates.

3. Main Issues

- 3.1 There is a substantial amount of work ongoing to accelerate the disposal of properties surplus to operational requirements; reviewing the future of our operational estate; and undertaking work to secure vacant possession.
 - 3.1.1 The Capital Receipt programme is reported to Executive Board on an annual basis and approved as part of the budget setting process at Full Council. In January 2020 this was reported with a total value of £95.9m. The Council has had a Capital Receipts Programme for over 25 years through which surplus assets have been

disposed of, the funds from which have been used to support the delivery of a range of front line services.

- 3.1.2 Table 3.1 sets out those properties which are part of the approved Capital Receipts Programme and are proposed to be accelerated for disposal targeting the auction method. Accordingly, Ward Members have been aware of the intention to dispose of the properties as part of previous reporting to Executive Board and engagement has now been undertaken on the intention to dispose by auction.

Table 3.1: Properties for Sale by auction

Site	Ward
Otley Civic Centre	Otley & Yeadon
Hill Crest 32, land adj, Swillington (self build)	Garforth & Swillington
Lea Farm Road, Lea Park Road, Kirkstall (Self Build)	Kirkstall
East Lodge, Temple Newsam Estate, Leeds 15	Temple Newsam

- 3.2 Table 3.2 also identifies three additional properties which are to be added into the Capital Receipt Programme and accelerated for disposal via auction. These are predominantly buildings which have been in void management or have been vacant for some time. Ward Member engagement is currently taking place prior properties being entered into auction or marketing commences.

Table 3.2: Properties to be added to the Capital Receipts Programme

Site	Ward
Potternewton Park, East Lodge	Chapel Allerton
Royal Park Primary (Former) Caretakers House	Headingley & Hyde Park
100 Town Street, Armley	Armley

Table 3.2 Additional Properties for injection into the Capital Receipts Programme and targeting December auction dates.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The Executive Member for Resources has been consulted on the realisation and disposal approach set out in this paper. The properties set out in Table 3.1 and 3.2 have already been the subject to consultation as part of the approvals granted to date. Ward member engagement has been undertaken in relation to all of the properties listed within this report. As a result of comments received from members in relation to the Royal Park (Former) Caretakers Cottage raising concerns around the potential for the property to be converted into a hot food takeaway, a restriction is to be placed on the title to prevent such uses.
- 4.1.2 Armley Ward Members have been actively exploring opportunities to deliver a community use for the property at 100 Town Street. Given that a viable solution could not be identified, it is considered that the property lends itself to disposal via auction.
- 4.1.3 Garforth and Swillington Ward Members have also noted the aspiration to deliver additional Council Housing within the ward. Further discussions will take place between the Regeneration Service and Ward Members in relation to potential opportunities.

4.2 Equality Diversity Cohesion and Integration

- 4.2.1 An Equality Diversity Cohesion and Integration screening form has been completed and can be found in Appendix 1. Whilst there are no specific EDCI impacts resulting from wider rationalisation approach as these will be considered by services, any building changes have the opportunity to enhance EDCI.

4.3 Council policies and the Best Council Plan

- 4.3.1 The Council's land and buildings facilitates a range of service delivery and therefore contributes to the objectives, outcomes and priorities set out in the Best Council Plan, Inclusive Growth Strategy and Health and Well Being Strategy. The rightsizing and remodelling of the Council's estate supports the Best Council ambition to be 'an efficient, enterprising and healthy organisation'.

Climate Emergency

- 4.3.2 One of the key drivers of our estate management approach is to reduce the carbon footprint of the Council's buildings and rightsizing our estate. Currently approximately 60% of the Council's carbon footprint is associated with its buildings and through the priorities set out in the Asset Management Plan, one of which is specifically focused on the climate agenda, the Council seeks to make efficient use of its buildings and reduce the size of its estate. Through this work, we will ensure that services are appropriately located to minimise staff travel adding to further carbon reductions.

4.3.3 As part of the rationalisation programme, there will be a need to deliver some investment into our existing estate. Where the Council is refurbishing properties to be held on a long term basis, energy audits will be undertaken to inform works to reduce the carbon footprint of individual buildings. This is already being progressed for some of the buildings such as the Civic Hall, Leeds Town Hall and Unit 6 Waterside which was acquired in 2019 to support the relocation of Assisted Living Leeds from their current site on Clarence Road.

4.4 Resources, procurement and value for money

4.4.1 The release of properties and generation of additional capital receipts supports the Council's budget proposals and speaks across to the report elsewhere on this agenda regarding the Revenue Budget Update 2021/22 and budget savings proposals.

4.4.2 Ensuring that the Council has an efficient, well utilised and affordable estate is a driver of the Estate Management Strategy and a number of the priorities set out in this paper contribute to this objective. Through the estate rationalisation process which will be achieved through more flexible use of our accommodation, we are seeking to reduce running costs associated with buildings as well as maintenance liabilities. However, it is important to note that it will be important to make investment into our retained estate to ensure that it is fit for purpose, appropriately maintained and sustainable.

4.4.3 The Council's Capital Receipt Programme has been crucial to supporting the delivery of front line service provision. The acceleration of disposals in the current financial year will help to bring much needed income into the Council with disposals in future years supporting the medium term financial strategy.

4.5 Legal implications, access to information, and call-in

4.5.1 There are no significant legal implications associated with this report.

4.6 Risk management

4.6.1 There are a number of risks associated with the delivery of estate rationalisation. The main risk to the delay of completion on any sale which will therefore create holding costs to the Council. The proposed disposal properties are all surplus to operational requirements and are to be offered for by way of auction for sale. This is to provide certainty on the timescale of completion of the sale; to provide certainty to the receipt generated and to minimise the ongoing costs to the Council of holding the properties.

4.6.2 There is the potential for local sensitivities regarding possible building changes, closures and disposals. Whilst the Council may not be able to utilise buildings, local attachment to buildings is understood and there is an ongoing ward member engagement to understand these sensitivities and to help to identify solutions which can be supported locally.

5 Conclusions

- 5.1 This report follows the report to Executive Board in September which set out the proposed approach to estate realisation and accelerated disposal of properties.
- 5.2 This paper has provided additional detail in relation to the second tranche of properties being progressed for accelerated disposal targeting a December auction date.
- 5.3 Further reports will be presented to Executive Board in due course to provide updates on this area of work whilst also setting out further estate realisation opportunities.

6 Recommendations

- 6.1 Executive Board is asked to:
 - I. Support the accelerated disposal of properties as set out in Table 3.1 which have already been agreed as part of the Capital Receipt Programme.
 - II. Agree the injection of the additional properties to be introduced into the Capital Receipt Programme as set out in Table 3.2 and for these to be accelerated for disposal.
 - III. Note that further reports will be presented to Executive Board updating on progress and seeking approval to sell where properties do not form part of the current approved Capital Receipts Programme.
 - IV. Note that the disposal of properties and identifying the strategic approach to our estate is the responsibility of the Director for City Development.

7 Background documents¹

- 7.1 None.

8 Appendices

- 8.1 Equality, Diversity, Cohesion and Integration Screening

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.