

Report of : Land and Property

Report to: Chief Officer of Asset Management and Regeneration

Date: September 2020

Subject: Shire View, Headingley Lane, Headingley Leeds

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Headingley
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? If relevant, Access to Information Procedure Rule number: Appendix number:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Summary of main issues

1. The purpose of this report is to seek approval to the disposal of Shire View on a one to one basis upon the terms set out in the confidential appendix.
2. Shire View was occupied by approximately 100 Children’s & Families social work staff prior to Covid 19 who have now moved to the recently refurbished Burley Park PRU. The operation of the Shire View site has presented numerous challenges in the recent years and considering the significant budget pressures faced by the council, the building is ‘in scope’ for inclusion in the asset rationalisation programme. It is proposed to declare Shire View surplus to operational needs due to the challenging nature of the site for operational purposes.
3. The property is still occupied in part by The Guide Dogs for the Blind Association who have occupied the property for a number of years as a training venue and have now requested to purchase the site in order to create a regional centre.

Recommendations

It is recommended that approval is given to sell the freehold of the site by one to one negotiation on the terms reported in the attached confidential appendix.

1 Purpose of this report

- 1.1 The purpose of this report is to seek approval to the sale of the freehold by one to one negotiations on the terms set out in the attached confidential appendix.

2 Background information

- 2.1 The subject premises are located on Headingley Lane approx. 3 miles from Leeds City Centre and consists of a 3 storey brick built premises totalling 17,248sqft on a site of 1.305 acres. It shares a private access with Headingley Castle which was sold by the Council in 2002 and subsequently converted into flats.
- 2.2 The premises were formerly occupied by the Deaf and Blind Association and The Guide Dogs for the Blind Association as a training venue for the hard of hearing and partially sighted. The Deaf and Blind Association vacated the premises in 2011 with the Guide Dogs association remaining. The vacant office space was then occupied by the Council (Children's and Families).
- 2.3 The council staff have now vacated and relocated to the refurbished Burley Park PRU. The subject premises are now surplus to requirements and The Guide Dogs for the Blind Association have enquired whether the Council would sell the freehold interest in the site as they would like to create one of 6 regional centres in Leeds and see Shire View as meeting their requirements.
- 2.4 A report dated 12th February 2020 to Executive Board for the refurbishment of the former Burley Park PRU gave approval to declaring Shire View Surplus to requirements with the subsequent capital receipt going towards the Capital receipt programme.

3 Main issues

- 3.1 The site shares an access with Headingley Castle a listed building, which has been converted to flats, the access is narrow which will restrict any future redevelopment of the site. Shire View was previously used as a training venue for many years and this use is supported at this location despite the limited access, any alternative uses of the site may be difficult to obtain planning consent. It is therefore proposed to sell the site on an unencumbered basis and rely on the planning process to control the use to which the site can be used.
- 3.2 There is a right of way on foot for the benefit of Sanctuary Housing who own the residential development to the rear of Shire View, the sale of Shire View will be subject to this access right remaining.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The ward members for Headingley and Executive Member for Resources were consulted in September 2019 and had no objections to the proposed disposal.
- 4.1.2 Ward Members were updated in October 2020 regarding the current position.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 There are no equality issues arising from the proposal.

4.3 Council Policies and Best Council Plan

4.3.1 The disposal of the site will generate a capital receipt, it will allow the tenant to inward invest in the property and redevelop what is largely a vacant building into a new regional centre.

4.4 Resources and Value for Money

4.4.1 The sale of the site will generate a substantial capital receipt, with a slight loss of rent from the termination of the Guide Dogs lease. However part of the rent is funded from a grant by the Council. The loss in revenue is outweighed by the Capital Receipt, the Council are also saving money from having to maintain and keep secure the vacant office space.

4.4.2 An external valuation was commissioned in July 2018 with a revised valuation on 27th March 2020 by Sanderson Weatherall surveyors based upon an unencumbered use and the sale figure being recommended within the confidential appendix is in line with that report.

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 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).

4.5.4 The Head of Land and Property confirms that in his opinion the terms offered to the Council represent 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 In February 2020 a report went to Executive Board in relation to the refurbishment of Burley Park PRU. This gave approval to the subject property being declared surplus and sold to raise a capital receipt. This was taken as a Key Decision and the recommendations contained in this report are a consequence of that February 2020 report. As such, the proposal herein constitutes a Significant Operational Decision and is therefore not subject to call in.

4.5.6 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 this information was obtained through one to one 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 risks associated with the proposed disposal to the tenant are considered to be small as the tenant has approached the council to acquire the freehold interest in the site.

5 Conclusions

5.1 It is concluded that there are no justifiable reason to retain the site.

6 Recommendations

4. It is recommended that approval is given to sell the freehold of the site by one to one negotiation on the terms reported in the attached confidential appendix.

7 Background Documents

7.1 None