

Report of Land and Property

Report to Director of City Development

Date: October 2020

Subject: East Lodge Potternewton Park, Harehills Lane, Chapeltown, Leeds

LS7 4HB

Are specific electoral wards affected? If yes, name(s) of ward(s): Chapel Allerton	<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 East Lodge, Potternewton Park, Harehills Lane, Chapeltown, Leeds LS7 4HB be disposed of by way of Public Auction or by informal tender. The reserve price will be agreed by the Head of Land and Property prior to the auction in accordance with powers delegated by the Director of City Development.
- East Lodge is surplus and included in an accelerated Capital Receipts Programme. Sales of these ear marked properties will help support the Council in the present financial situation.
- The East Lodge is vacant; the former tenant has moved out.

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

It is recommended that East Lodge, Potternewton Park, Harehills Lane, Chapeltown, Leeds LS7 4HB is:

- i) Declared surplus to the Council's requirements,
- ii) Sold by public auction, with the reserve to be set by the Head of Land and Property,
- iii) In the event of sale by auction not being successful then approval be given for the property be advertised for sale on the open market with informal offers being invited.

1. Purpose of this report

- 1.1 The purpose of this report is to seek approval to declare East Lodge surplus to Council requirements and its sale by way of auction.
- 1.2 The Director for Parks & Countryside declared the property surplus to Park requirements of the 11 June 2015.

2. Background information

- 2.1 East Lodge, is a period detached stone property which is Grade II listed within the curtilage of The Mansion, Potternewton Park, Harehills Lane. East Lodge is located on the perimeter of Potternewton Park adjacent to one of the gated entrances. It has three bedrooms and internally is in need of complete renovation.
- 2.2 East Lodge was one of a number of Parks & Countryside (P&C) vested properties that were under consideration for ring-fencing by P&C. No further information has been received regarding this but it will be concluded as part of the diligence whilst progressing the disposal. This should not hold up this disposal as it is being accelerated to support the Capital Receipts Programme.
- 2.2 East Lodge was declared surplus in 2015 with the intention of undertaking a sale on the open market. However, vacant possession was not secured at that time and plans to sell were put on hold. Vacant possession has now been secured and plans to sell East Lodge have resumed.
- 2.3 In addition to the Director for Parks & Countryside declaring East Lodge surplus to requirements on 11 June 2015, the Director for Resources and Housing declared the property surplus to Council requirements on 21 August 2018. This followed an assessment which concluded rising maintenance and repair costs proved to be financially unviable for the council to re-let the property.

3 Main issues

- 3.2 The property is not considered suitable for alternative Council uses and it is therefore proposed to sell.
- 3.3 The lodge is Grade II listed, a do not demolish clause will be detailed in the legal pack.
- 3.4 East Lodge will be sold with the established garden to the side, and access will be pedestrian only via the wrought iron gate located at the front of the house onto Harehills Lane. Because East Lodge is located within a public park, vehicular access will not be permitted and parking will not be permitted within the park next to the house.
- 3.5 A tree survey is to be undertaken to determine if any of the trees within the garden are worthy of a TPO (Tree Preservation Order). One tree was identified and this has officially been TPO. This information made available via the auction pack/sales details.

4 Corporate considerations

4.2 Consultation and engagement

- 4.2.1 Councillor Lewis was briefed about the proposed sale 28 September 2020 and was supportive of a sale.
- 4.2.2 Ward Members were consulted on 2 October 2020, regarding the proposed sale. Councillor Dawson, Councillor Rafique and Councillor Taylor all confirmed they had no objection to the proposed sale.

4.3 Equality and diversity / cohesion and integration

- 4.3.1 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.

4.4 Council policies and the Best Council Plan

- 4.4.1 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

- 4.4.2 The East Lodge is a detached period Grade II listed property. The property externally is in average condition. It is likely that any new owners will carry out improvements and therefore improve its energy efficiency.

4.5 Resources, procurement and value for money

- 4.5.1 East Lodge was declared surplus to Parks & Countryside requirements 11 June 2015 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.

- 4.5.2 The property was one of a number of P&C vested properties that were under consideration for ring-fencing by P&C. No further information has been received regarding this but it will be concluded as part of the diligence whilst progressing the disposal. This should not hold up this disposal as it is being accelerated to support the Capital Receipts Programme.

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

- 4.6.1 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.
- 4.6.2 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.
- 4.6.3 The proposal constitutes a significant operational decision and is therefore not subject to call in.
- 4.6.4 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).

4.7 Risk management

- 4.7.1 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 show strong interest in similar properties of this type and value.
- 4.7.2 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

5.2 It is concluded that there is no reason for the Council to retain East Lodge and that it is declared surplus to Council requirements and sold by way of auction.

6 Recommendations

6.1 It is recommended that East Lodge, Potternewton Park, Harehills Lane, Chapeltown, Leeds LS7 4HB is:

- iv) Declared surplus to the Council's requirements,
- v) Sold by public auction, with the reserve to be set by the Head of Land and Property,
- vi) In the event of sale by auction not being successful then approval be given for the property be advertised for sale on the open market with informal offers being invited.

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.