

**Report of Director of City Development**

**Report to Infrastructure, Investment and Inclusive Growth Scrutiny Board**

**Date: 20<sup>th</sup> January 2021**

**Subject: Disposal of East Lodge Temple Newsam**

Are specific electoral wards affected? If yes, name(s) of ward(s): Temple Newsam	<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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**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 has been followed by a series of further reports setting out the detail of properties proposed to be disposed.
- East Lodge at Temple Newsam was identified within the report considered by Executive Board in October at which time it was proposed for disposal via auction. Executive Board agreed to this recommendation.
- Since this time work has been progressed to prepare the property for disposal and discussions are underway with the Friends of Temple Newsam who have raised concerns about the disposal of the property.

**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. The liability that vacant properties have increases the Council's risk exposure and cost burden and therefore disposing of properties with no future Council use is essential to supporting the Council's future budget position.

- 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**

Scrutiny Board is asked to note the contents of this paper.

### **1. Purpose of this report**

- 1.1 The purpose of this report is to provide the Infrastructure, Investment and Inclusive Growth Scrutiny Board with background information relating to the disposal of East Lodge at Temple Newsam following on from the decision made at Executive Board on 21<sup>st</sup> October 2020.

### **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 In addition, it is important that the Council disposes of properties which are no longer required for operational purposes to ensure that they do not become a drain on its resources as vacant properties can quickly fall into a state of poor repair and become the target of anti-social behaviour and vandalism. The Council is seeking to reduce the number of properties held in a void state where no clear plan for their reuse is identified. There are some vacant properties that the Council has held for too long and in turn this has led to their deterioration over time as funding to maintain void properties is limited.
- 2.3 Following on from the report to Executive Board in September 2020, further reports have been considered at its October and November meetings in relation to specific properties proposed to be brought forward for disposal. At its October meeting, Executive Board agreed to the disposal of East Lodge at Temple Newsam being brought forward. The property was already included within the Council's agreed Capital Receipt Programme as approved by Executive Board.
- 2.4 Temple Newsam, is a Tudor-Jacobean house which is managed by the Museums and Galleries Service, with the working farm associated out buildings and scenic parkland being managed by Parks and Countryside. Overall the estate is listed as Grade II Parks and Gardens, with a number of buildings and structures being Grade II Listed within the estate.

- 2.5 The lodges were constructed in 1742 by Andrew Jourdain as residential properties with an extension to the west lodge in early 20<sup>th</sup> century and were listed as Grade II in 1976
- 2.6 This paper provides further background information about the property.

### **3. Main Issues**

- 3.1 The lodges have been used and managed by the Council as social housing since the mid 1960's. Accordingly the properties have not performed any function linked to the wider Temple Newsam Estate for at least 50 years. West Lodge is in good condition and has a social housing tenant in situ. When the East Lodge tenant vacated in 2017 Housing Leeds estimated the cost of the works to bring the residence up to the housing decency standards then in place would be approximately £70k. This included works to improve the water pressure to the property. Accordingly, the Council decided to take the property out of its social housing stock.

Parks and Countryside sought to refurbish the property for a service tenancy and estimated the cost of the work to be approximately £50k. As no funding was available at the time, the service sought to include this element within an impending Heritage Lottery Fund (HLF) bid or secure funding from other sources including the potential ring fencing of receipts from other potential property disposals. However, neither progressed and the lodge remained vacant. At the current time there is no funding in the Council's Capital Programme for a Heritage Lottery Bid.

- 3.2 Parks and Countryside officers who operate the Temple Newsam estate have a good relationship with the Friends of Temple Newsam. On 19<sup>th</sup> February 2019 a meeting took place between the Council and the Friends of Temple Newsam at which the property was discussed. The option to convert the property into a service property and need to secure funding was outlined. The funding required to refurbish the property was not identified at that time. Ward members have also provided updates and time for discussion about the property at Temple Newsam Forum over the years, providing the opportunity to hear wider community and stakeholder views about the future of the property. In addition members of the Temple Newsam estate team have also attended forum meetings on a regular basis to provide updates.
- 3.3 Whilst it was recognised by Parks and Countryside that the Friends of Temple Newsam were not supportive of the property being sold, given that the property remained vacant for over 2 years, the Council in October 2019 about potential alternative routes to secure its refurbishment, including the option of disposal.
- 3.4 As a vacant property with no identified use, the property duly came into void management. Discussions took place with Planning and Conservation Officers about the future of the property. It was also confirmed that no other Council service had a requirement for the property.
- 3.5 Following consultation with Ward Members in January 2020, who were supportive of the principle of disposal, the property was included within the Capital Receipt Programme schedule which was presented to Executive Board. At the time the

property was included within disposals for the financial year 2024/25. The decisions made in the report were subject to call in. No call in of the report was requested.

- 3.6 Due to the Council's financial situation, which has been compounded by the impact of the COVID-19 Pandemic, a number of surplus properties including East Lodge have now been brought forward for earlier disposal. In October 2020 Executive Board agreed to the sale of East Lodge being brought forward in the Capital Receipts Programme following agreement from Executive Board. At the meeting Cllr James Lewis confirmed that the Council would progress with a sale by way of a long-lease and would retain the freehold of the property with appropriate controls on its external presentation being put in place. As part of this decision Ward Members were again consulted and were supportive of disposal. In addition, the decision was subject to call in. No call in of the decision was made.
- 3.7 Following the publication of the Executive Board papers in October, the Friends of Temple Newsam have sought discussions with Ward Members. A meeting took place on 1<sup>st</sup> December with a commitment for further dialogue to take place. At the meeting the Executive Board resolution was made clear to the group and discussions took place around how their concerns about the use and appearance of the property could be protected through the terms of the long lease and also restrictiv covenants on the Title. Equally, the statutory planning process will also control these issues through the listed status of the property. The group also set out their interest in exploring other options, although the Council's financial position and need to secure a capital receipt were reiterated.
- 3.8 Restricting the future use of the property to residential, will ensure that the property remains in the use it was originally intended. A use that has been in place for the past few decades prior to the property becoming vacant.

## **4. Corporate considerations**

### **4.1 Consultation and engagement**

- 4.1.1 The Executive Member for Resources has been regularly updated on the Council's Estate Realisation approach. Ward Member engagement has been undertaken in relation to East Lodge since it became vacant in 2017 and given the Council's financial position are supportive of bringing the property forward for disposal. Consultation has taken place in line with the void property management process which has been the subject of consideration and supported by Resources and Strategy Scrutiny Board. Discussions about the property have also taken place with the Friends of Temple Newsam and further dialogue is taking place as the property is moved forward for disposal.

### **4.2 Equality Diversity Cohesion and Integration**

- 4.2.1 An Equality Diversity Cohesion and Integration screening form has been completed and has accompanied the Executive Board reports in relation to Estate Realisation.

### **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 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. The liability that vacant properties have increases the Council's risk exposure and cost burden and therefore disposing of properties with no future Council use is essential to supporting the Council's future budget position.
- 4.4.2 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.

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

- 4.5.1 There are no legal implications in relation to this paper.

#### **4.6 Risk management**

- 4.6.1 The Friends of Temple Newsam have identified a number of risks of disposing of the property, in particular focusing on the use and appearance of the property. Covenants will be applied to the title to address these concerns, with control over these issues also been through the statutory planning process.

### **5 Conclusions**

- 5.1 This report provides background information around East Lodge at Temple Newsam which is included within the Capital Receipt Programme and schedule for disposal via auction following agreement by Executive Board in October 2020.
- 5.2 The Friends of Temple Newsam have expressed concerns about the disposal of the property and discussions have taken place between ward members, officers and the group.
- 5.3 Taking on board the issues raised by the Friends of Group, work continues to prepare the property for disposal to facilitate its refurbishment and reuse.

## **6 Recommendations**

- 6.1 Scrutiny Board is asked to note the contents of this paper.

## **7 Background documents<sup>1</sup>**

- 7.1 None.

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<sup>1</sup> 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.