

16-22 Burley Street, Woodhouse, Leeds, LS3 1IB

Date: 14 January 2022

Report of: Land and Property

Report to: Director of City Development

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

What is this report about?

Including how it contributes to the city's and council's ambitions

- 16-22 Burley Street comprises a commercial building split into three units on a site measuring 0.13 ha (0.32 ac). The site has redevelopment potential for purpose-built student accommodation.
- The Chief Officer Asset Management and Regeneration gave approval on 30 September 2021 to market the site by way of offers. Marketing commenced 13 October 2021 and offers were invited by a closing date of 10 December 2021, with a guide price of offers in excess of £800,000. Offers received will be circulated at meeting, together with a recommendation to select a shortlist of preferred bidders.
- 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.

Recommendations

- a) It is recommended that approval be given to select a shortlist of preferred bidders for the sale of 16-22 Burley Street, as named and on terms detailed in the confidential appendix.

Why is the proposal being put forward?

- 1 Following the approval by the Chief Officer Asset Management and Regeneration to market the site way of offers, this report sets out a recommendation to select a shortlist of preferred bidders. Details of all offers received are given in the confidential appendix.

What impact will this proposal have?

Wards Affected: Little London and Woodhouse

Have ward members been consulted? Yes No

- 2 By selecting a shortlist of preferred bidders, it will allow those bidders an opportunity to submit a planning preapplication, which should better inform the density and scale of development likely to be permitted. Final offers will then be invited from the preferred bidders, following the provision of pre-planning advice, which shall reduce the risk to the Council that the final selected bidder may seek to renegotiate the price based on planning comments as part of a detailed application.

What consultation and engagement has taken place?

- 3 Little London and Woodhouse Members were consulted by Land and Property on 14 May 2021 prior to the last report and informed of the Council's intention to market by way of inviting offers. Details of responses are given in the last report, but no objections were received.
- 4 The Executive Member for Resources was briefed on 27 January 2022 regarding the proposal set out in this report; support was given but it was noted that further PBSA may not be fully supported by all.
- 5 Little London and Woodhouse Members were provided with an update by email on 3 February 2022 and requested a briefing which took place on 10 February 2022. Ward Members were not supportive of the proposal as they felt there was an oversaturation of PBSAs in their Ward, in particular along Burley Street.
- 6 Following Ward Member comments, the Executive Member for Resources was provided with an update by email on 25 February 2022 and subsequent briefing. Whilst the Executive Member expressed sympathy with the views of some local residents and the Ward Members regarding further development of PBSA in the area, support was given to the proposal on the basis that the Council should be seeking best consideration and that the site was considered unsuitable for new build Council housing.

What are the resource implications?

- 7 The site 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 objective of the Council.
- 8 The sale will generate a capital receipt and contribute to the Council's capital receipt programme.
- 9 There is backlog of repairs and by disposing of the property, the Council will avoid the costs as well as any future maintenance responsibility.

What are the legal implications?

- 10 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.
- 11 The Chief Officer Asset Management and Regeneration, Head of Asset Management 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.
- 12 The proposal constitutes a Significant Operational Decision and is therefore not subject to call in.
- 13 In the event that any of the offers circulated are recommended, this will be on the basis that in the opinion of the Deputy Head of Land and Property, 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).
- 14 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 inviting offers for the property/land then it is not in the public interest to disclose this information now as this could lead to random competing bids which would undermine this method of inviting bids and affect the integrity of disposing of property/land by 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 now. 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.

What are the key risks and how are they being managed?

- 15 There is a risk that the preferred bidders may withdraw or reduce their bid, though this is considered unlikely. Should each of the preferred bidders withdraw or reduce their offer below the level of the under bidders, consideration could be given to one of the under-bids or to remarket the site.

Does this proposal support the council's 3 Key Pillars?

Inclusive Growth

Health and Wellbeing

Climate Emergency

- 16 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 by providing student housing and/or offices and jobs for the local community.
- 17 The eventual purchaser will be bound by planning authority and will have to build to current standards which will result in any new building being much more energy efficient than what's already in situ.

Options, timescales and measuring success

a) What other options were considered?

- 18 The alternative option considered was to select just one of the bidders. However, it is considered to be preferable to at this stage to select a shortlist of preferred bidders and invite them to submit planning preapplications before providing best and final bids, as this will reduce the risk to the Council that the final party selected will not seek to renegotiate the price at the detailed planning stage.

b) How will success be measured?

- 19 In the short term, success will be measured by the preferred bidders receiving preapplication planning advice that informs their best and final bid, from which a final bidder will be able to be selected. In the long term, success shall be measured by the completion of the sale and payment to the Council of a consideration.

c) What is the timetable for implementation?

- 20 It is anticipated that best and final bids will be invited from the preferred bidders in late spring / early summer 2022, with completion expected either by the end of the 2022/23 financial year or early in 2023/24.

Appendices

- 21 Confidential appendix – detailing offers received and identifying the recommended preferred bidders.

Background papers

- 22 None.