

Disposal of land at Red Hall – Amendments to sale terms

Date: 17 December 2021

Report of: Land and Property

Report to: Chief Officer Asset Management and Regeneration

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

- The purpose of this report is to recommend that the revised terms of the disposal of land at Red Hall are approved, with the revised offer from the selected bidder accepted. This will allow legal contracts to be exchanged and the sale to complete.
- Red Hall comprises an allocated development site which was marketed by Leeds City Council for residential development in 2019. Redrow Homes Ltd was selected as the preferred bidder on 1 July 2020. The bid was accepted subject to certain conditions. As a result of these conditions now being satisfied, a revised offer has been tabled by Redrow. Additional amends to the terms of the sale are also proposed. Details can be found in the accompanying confidential appendix.
- The decision will contribute to the council's ambitions by progressing the disposal which will enable the development of much needed housing in the city. The development includes 15% affordable housing and improved areas of greenspace. The disposal will also provide funds towards major infrastructure projects and a significant land receipt for the council, which will enable wider council ambitions to be realised further.

Recommendations

- a) That approval be given to the revised terms for the sale of the land on the terms included in the report and confidential appendix.
- b) That the revised offer is accepted, and the sale now proceeds on the terms set out in the report and confidential appendix.

Why is the proposal being put forward?

- 1 In order to progress the disposal, the revised terms of the sale and the revised sale price must be approved to allow satisfactory exchange of contracts and completion.

What impact will this proposal have?

Wards Affected: Cross Gates & Whinmoor

Have ward members been consulted?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
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- 2 The proposed housing scheme is set to deliver the full policy requirement of 15% affordable housing which will provide housing opportunities for Leeds' citizens facing poverty and inequality. The proposed scheme provides a mix of unit sizes fit for couples, families, for a range of age groups and people of varying ability. The scheme therefore provides more opportunities for equality, diversity, cohesion and integration within the ward.
- 3 The proposal will result in improved greenspace areas as part of the development which provides health and wellbeing benefits. Local residents will benefit from this as the current Red Hall playing fields are underused due to drainage issues on the site. An informal kickabout area, play-on-the-way woodland areas and a community orchard are proposed as part of the housing development.
- 4 The proposal will facilitate the disposal of the site, which will provide the funds required to cover the cost of the north western section of ELOR. This infrastructure will allow easier travel routes across the city, which will have a benefit on the local economy and could therefore have a positive impact on Leeds citizens facing poverty and inequality. The ELOR will also provide traffic relief for commuters and easier access to employment centres for Leeds' residents, as well as motorway connectivity.
- 5 LCC will also receive a best consideration land receipt for the land disposal, the proceeds of which can be spent on achieving the council's and city's wider ambitions.

What consultation and engagement has taken place?

- 6 Cross Gates & Whinmoor Ward Members have been consulted throughout the planning process and are supportive of the proposed scheme. Redrow Homes have undertaken a public consultation of the proposals as part of the planning process.
- 7 Ward Members have already been consulted in relation to the land sale and therefore no consultation was deemed necessary for this current aspect of the disposal.

What are the resource implications?

- 8 Upon approval of the proposal, the Council will dispose the site and receive best consideration.

What are the legal implications?

- 9 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.

- 10 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.
- 11 The proposal constitutes a Significant Operational Decision and is therefore not subject to call in.
- 12 The information contained in the Appendix attached to this report relates to the financial or business affairs of a particular person / company, 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.

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

- 13 There lies a risk that the revised terms and revised offer detailed within the confidential appendix are not approved. This could put the disposal in jeopardy and there is therefore a risk that the development does not come forward, private and affordable housing is not constructed, greenspace is not improved, funds for ELOR are not gained and a land receipt for the Council is not realised.
- 14 Leeds City Council has commissioned professional external cost consultants NPS to review any costings put forward by Redrow. This provides a robust buffer against any potential unfair costings put forward by the purchaser.

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

Inclusive Growth Health and Wellbeing Climate Emergency

- 15 The proposal supports Inclusive Growth as the disposal of the site will facilitate a housing scheme with a mix of unit sizes fit for couples, families, for a range of age groups and people of varying ability.
- 16 The proposal supports Health and Wellbeing as the improvements to the Greenspace will have a positive impact for the residents of the ward. The POS currently suffers from poor ground conditions due to drainage issues and is underused.
- 17 The proposal supports Climate Emergency in that the proposed dwellings will be built in line with the new Part L building regulations (Conservation of fuel and power) providing energy efficient homes within the ward.

Options, timescales and measuring success

a) What other options were considered?

18 Not amending the terms of the sale and therefore not proceeding with the sale. This would not be recommended for the reasons outlined above.

b) How will success be measured?

19 The site is sold, private and affordable housing is delivered, greenspace is improved, funds for ELOR are gained and a land receipt for the Council is realised.

c) What is the timetable for implementation?

20 Approval to amend terms and accept the revised offer will enable immediate exchange of contracts for the sale.

Appendices

21 Appendix 1: Plan

22 Appendix 2: Confidential appendix

Background papers

23 None.