

15-21 Cookridge Street, Leeds, LS2 3AG

Date: 23 June 2022

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

- 15 to 21 Cookridge Street, detailed on the panel plan in appendix 2, was sold by Leeds City Council in 1989. The transfer contained a restrictive covenant, preventing the property from being used as anything other than shops, offices and for the sale of food and drink (without dancing).
- Leeds City Council has been approached by the purchaser of 15-21 Cookridge Street who would like to use the property for student accommodation and therefore requested a Deed of Release. Terms have been provisionally agreed for the Council to release the restrictive covenant.
- Granting of the Deed of Release will generate revenue for 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 the terms, detailed in confidential appendix 1, be approved and a Deed of Release be completed to remove the restrictive covenant.

Why is the proposal being put forward?

- 1 15-21 Cookridge Street was sold in 1989 along with a number of other properties. It is thought that the original intention of the restriction was to protect the Council's retained assets in the area. However, a number of these have now been sold off and previous uses changed.
- 2 The purchaser of 15-21 Cookridge Street intends to redevelop the offices into student accommodation. In order to change the use of the property a Deed of Release is required from the restrictive covenant. The terms have been negotiated (as outlined in the confidential appendix 1) and are recommended for approval.

What impact will this proposal have?

Wards Affected: Little London & Woodhouse

Have ward members been consulted? Yes No

- 3 The proposal, which in relation to the Deed of Release is conditional on the grant of planning permission for the proposed use, will generate revenue for the Council.

What consultation and engagement has taken place?

- 4 Ward Members were consulted by email on 31 May 2022; no comments were received.

What are the resource implications?

- 5 There is no resource implication in releasing the restrictive covenant. The Deed of Release will generate revenue for the Council.

What are the legal implications?

- 6 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.
- 7 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.
- 8 The proposal constitutes a Significant Operational Decision and is therefore not subject to call in.
- 9 The Deputy Head of Land and Property also confirms that in their 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).
- 10 The information contained in the confidential appendix 1 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 negotiation of a release of a restrictive covenant then it is not in the public interest to disclose this information at this point in time as this could undermine this method of negotiation and affect the integrity of releasing restrictive covenants 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 parties involved in other similar transactions could use this information to influence the 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?

- 11 The consideration agreed for the Deed of Release is on the basis of the purchaser obtaining planning permission for their proposed scheme. Therefore, the granting of the Deed of Release is conditional on the purchaser obtaining planning permission for the agreed scheme. Further to this there is a provision for an additional consideration in the agreement if planning permission is granted for a larger scheme ensuring best consideration for the Council.
- 12 The purchaser is required to obtain planning permission for their proposed student accommodation scheme for the Deed of Release to be granted. If they are unable to obtain this the Deed will not be granted and the Council will not receive a revenue payment.

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

Inclusive Growth Health and Wellbeing Climate Emergency

- 13 The revenue generated from the proposed release contributes to the Best Council Plan by supporting communities and promoting sustainable and inclusive growth. The proposed release of the covenant will allow the redevelopment of the building. Any works will have to be compliant with planning and building consent which will improve the energy standard of the building, which supports the Council's Climate Emergency agenda.

Options, timescales and measuring success

a) What other options were considered?

- 14 The options associated with Deed of Release are considered in the confidential appendix.

b) How will success be measured?

- 15 Success will be measured by the completion of the legal documents and payment to the Council.

c) What is the timetable for implementation?

- 16 As soon as possible.

Appendices

- 17 Confidential Appendix 1: Terms for the proposal.
- 18 Appendix 2: Plan showing land subject to the covenant to be released.

Background papers

- 19 None.