

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

Date: 16 September 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

Brief summary

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 site was marketed from October 2021 before initial offers were invited by a closing date in December 2021, with a guide price of offers in excess of £800,000. The Chief Officer Asset Management and Regeneration gave approval on 25 March 2022 to select a shortlist of preferred bidders who would be invited to submit planning preapplications before providing best and final bids. Following receipt of pre-planning advice, the shortlisted bidders were invited to submit best and final bids by Friday 2 September 2022. Offers received will be circulated at meeting, together with a recommendation to select a bidder.

Recommendations

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

What is this report about?

- 1 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.
- 2 The site was marketed from 13 October 2021 before initial offers were invited by a closing date of 10 December 2021, with a guide price of offers in excess of £800,000.
- 3 The Chief Officer Asset Management and Regeneration gave approval on 25 March 2022 to select a shortlist of preferred bidders who would be invited to submit planning preapplications before providing best and final bids.
- 4 Following receipt of pre-planning advice, the shortlisted bidders were invited to submit best and final bids by Friday 2 September 2022. Offers received will be circulated at meeting, together with a recommendation to select a bidder.

What impact will this proposal have?

- 5 The selection of a bidder will facilitate the sale of the site, which will generate a capital receipt to support the Council's Best City Ambition.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

- 6 The sale of the site will facilitate the development of a purpose-built student accommodation, which will provide employment opportunities during construction and operation of the building, as well as supporting the city's expanding student population which brings a variety of inclusive growth benefits to the city.

What consultation and engagement has taken place?

Wards affected: Little London & Woodhouse

Have ward members been consulted? Yes No

- 7 Little London and Woodhouse Members were consulted by Land and Property on 14 May 2021 about the Council's intention to market the site by way of offers. Details of responses are given in the report of 30 September 2021, but no objections were received.
- 8 The Executive Member for Resources was briefed on 27 January 2022 regarding the proposal to shortlist bidders as set out in the last report. Support was given, but it was noted that further PBSA may not be fully supported by all.
- 9 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.
- 10 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 understanding 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 is seeking best consideration and that the site was considered unsuitable for new build Council housing or further operational use. User issue will be dealt with through the planning process.

What are the resource implications?

- 11 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.
- 12 The sale will generate a capital receipt and contribute to the Council's capital receipt programme.
- 13 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 key risks and how are they being managed?

14 There is a risk that the preferred bidder may not obtain planning permission, withdraw or reduce their bid. The risk that bidder may not obtain planning permission and therefore withdraw or reduce their bid has been mitigated as far as is possible at this stage by the bidder having obtained pre-application planning advice and bid accordingly. However, should the preferred bidder 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. A further report would be brought forward in such circumstances.

What are the legal implications?

- 15 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.
- 16 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.
- 17 The proposal constitutes a Significant Operational Decision and is therefore not subject to call in.
- 18 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).
- 19 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 of best and final offers for the property/land then it is not in the public interest to disclose this information at this point in time 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 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.

Options, timescales and measuring success

What other options were considered?

20 The only alternative option considered at this time was to select one of the other shortlisted bidders, but for the reasons set out in the confidential appendix this is not recommended.

How will success be measured?

21 By eventual completion of the sale to the recommended shortlisted bidder.

What is the timetable and who will be responsible for implementation?

22 It is proposed to enter into conditional contracts with the recommended shortlisted bidder before the end of 2022, with completion hopefully taking place in financial year 2023/24.

Appendices

- Confidential appendix
- Plan of the site

Background papers

- None.