

Hunslet Hall, Hunslet Hall Road, LS11 6UA

Date: 23 January 2023

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

The purpose of this report is to seek approval to declare Hunslet Hall surplus to Council requirements and to its sale on the open market by way of public auction.

The property, which comprises a Victorian brick-built school, was most recently used as Council offices. The property, which has a backlog of maintenance, was recently vacated by the occupying service and approved by Executive Board on 23 November 2022 to be included within the Capital Receipt Programme.

Recommendations

It is recommended that approval be given to declare Hunslet Hall surplus to Council requirements and its sale on the open market by way of public auction.

What is this report about?

- 1 Hunslet Hall and its annexe building (as shown on the attached plan in Appendix 1) was originally built in approximately 1880 for the purposes of a school. The property, which is brick built and not Listed, occupies a relatively flat site measuring 0.46 hectares (1.13 acres).
- 2 The property is unallocated in the Site Allocations Plan and would lend itself to be retained for continuing office use or, subject to planning permission, repurposing for an alternative use. Given that the property is not Listed, it is possible that it could, subject to planning, be demolished and redeveloped for new build residential development.
- 3 The property was declared surplus by the Head of Asset Management on 29 September 2022, on behalf of Children & Families and Adults & Health who occupied the building.
- 4 The Executive Board gave its support on 23 November 2022 to the inclusion of Hunslet Hall onto the Capital Receipt Programme for disposal in the current financial year, which will be implemented by the Director of City Development.
- 5 It is consequently recommended that the property is declared surplus to Council requirements and that it be sold on the open market by way of public auction.

What impact will this proposal have?

- 6 The sale of the property will save the Council from ongoing and future maintenance and running costs of a property that is otherwise surplus to requirements, as well as generating a capital receipt which shall support a wide variety of capital and transformational projects that will help contribute to 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

- 7 The sale of the property will either bring the existing building back into use through refurbishment providing new accommodation for the existing use of offices, or possible residential use, subject to planning. Alternatively, subject to planning, the building may be demolished and site developed for an alternative use. In either scenario, the sale of the property will facilitate inclusive growth, health and wellbeing and zero carbon supporting the Council's Best City Ambition.

What consultation and engagement has taken place?

Wards affected: Hunslet and Riverside

Have ward members been consulted?

Yes

No

- 8 The Executive Member for Resources was consulted prior to the Executive Board report of 23 November 2022 and there have been ongoing discussions as the property has been prepared for marketing. The Executive Member is supportive of the proposal.
- 9 Ward Members were emailed in October 2022 informing them of the Council's intention to dispose of the property by public auction.

What are the resource implications?

- 10 The property has backlog maintenance requirements and is surplus to Council requirements. The proposal, therefore, represents good estate management by maximising income generation and obviating ongoing and future liabilities.

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

- 11 The main risk is that the property does not sell at auction, however this is unlikely given the Council's experience of selling similar properties which often prove popular at auction. Should it fail to sell at auction, alternative disposal approaches will be considered such as informal tender.

What are the legal implications?

- 12 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.
- 13 The Chief Officer Asset Management and Regeneration, Head of Asset Management and Technical Services Lead within the Land and Property Team have authority to take decisions in relation to Asset Management as delegated in the Director of City Development's sub delegation scheme.
- 14 The proposal constitutes a Significant Operational Decision and is therefore not subject to call in.
- 15 The Deputy Head of Land and Property confirms that the proposed method of disposal set out above is the method most likely to result in the Council achieving the best consideration that can reasonably be obtained under Section 123 of the Local Government Act 1972 (or under the Housing Act 1985). The sale will be completed at or above a reserve price which will be set by the Head of Asset Management prior to the auction in consultation with the auctioneer and Deputy Head of Land and Property.

Options, timescales and measuring success

What other options were considered?

16 To sell the property on the open market via informal tender. Whilst this method would also satisfy best consideration requirements, given that offers may be conditional on planning there is a risk that interested parties may either withdraw or reduce their offer during the process. The Council would also be responsible for ongoing maintenance and security during this period. As the property is vacant there is a risk of further deterioration of the building's condition. An auction sale not only meets best consideration requirements but provides a quick means of disposal, limiting risk and liabilities to the Council.

How will success be measured?

17 Success will be measured by disposal of the property at auction.

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

18 Proposed auction date is 22nd February 2023, with completion 28 days after the auction.

Appendices

- Appendix 1 – plan.

Background papers

- None.