

Land at Railway Street (Former Yorkshire Rider Club), Richmond Hill, LS9

Date: May 2023

Report of: Land & 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 Council's sale of land at Railway Street to 54 North Homes is nearing completion. 54 North Homes Limited will construct affordable homes, programmed to start on site in October 2023. This report provides final details of the sale and proposed development to the Chief Officer Asset Management & Regeneration to ensure all aspects of the transaction fall under a single approval.

Recommendations

It is recommended the Chief Officer Asset Management & Regeneration authorises the sale to complete.

What is this report about?

- 1 This report details the final terms for the disposal of Council owned land (the subject site shown on plan 14941Y) at Railway Street to 54 North Homes for the development of 58 affordable homes. Planning permission is about to be granted for the construction by 54 North Homes Limited of 58 affordable homes in an apartment block of 5 storeys.
- 2 The Council owned site was previously leased and occupied by the Yorkshire Rider Social Club. The use cease, the building was demolished and lease surrendered. The site was considered to be brownfield and redevelopment appropriate. The site was promoted on the open market for development for residential use providing 100% affordable homes. 54 North Homes Ltd (previously known as Leeds & Yorkshire Housing Association) was selected to purchase the site. Terms for the sale were approved by the Chief Officer Asset Management & Regeneration on 21 April 2020.
- 3 54 North Homes completed detailed design work and costed the scheme. To ensure viable delivery of the scheme, whilst paying market value for the site, 54 North Homes has secured third party funding to address financial viability issue. The Council has been able to assist by slightly increasing the site area to enable a critical mass of 58 apartments 54 North Homes needs to create economies of scale and assist viability. The small area of additional land was allocated greenspace. Planning Officers assessed the implications of this land being included

in the development together with the enhancement works 54 North Homes will undertake to the wider and surrounding area of greenspace and concluded the additional land could be included in the development due to the benefits new affordable homes would bring, together with enhancements to the remaining greenspace. The proposed disposal of greenspace was advertised for two consecutive weeks in the local newspaper followed by a period of time for objections. No objections were received. This additional land was declared surplus by the Chief Officer Parks & Countryside on 19 August 2021 and the Chief Officer Communities, Housing & Environment on 8 September 2021. This land will now be included in the sale to 54 North Homes.

- 4 Additionally, in enable development of the site several other approvals from the Council were needed:
 - a) Sewer diversion – a sewer crosses the site. This needs relocating around the perimeter of the site. The Chief Officer Asset Management & Regeneration gave approval on 27 January 2023 to the sewer being diverted into Council owned land.
 - b) Purchaser name change – the originally selected Leeds & Yorkshire Housing merged with York Housing Association and was renamed 54 North Homes Limited. This change was approved by the Chief Officer Asset Management & Regeneration on 7 March 2023.
 - c) Compound licence – 54 North Homes’ contractor needs a compound during construction works. Use of Council owned land adjacent to the development site was approved by the Technical Services Lead Land & Property on 21 April 2023.
 - d) Landscaping licence – the planning process requires 54 North Homes to enhance the surrounding area of Council owned greenspace. These works are detailed in the planning permission shortly to be granted for the development. Terms for a licence to be granted to undertake the works were approved by the Technical Services Lead Land & Property on 21 April 2023.
 - e) Additional sewer works – in addition to the sewer diversion works approved on 27 January 2023 (point a above) additional works will have to be undertaken by 54 North Homes. These will be within the Council owned land adjoining site and the Technical Services Lead Land & Property on 21 April 2023 approved terms for a licence to be granted.
 - f) Crane oversail – a tower crane is necessary for construction of the apartment block. The crane will oversail Council owned land adjoining the site. The Head of Asset Management gave approval on 22 May 2023 to a licence being granted.
- 5 It is recommended these matters be noted and authority given to complete the sale of the land shown on plan 14941Y to 54 North Homes Limited.

What impact will this proposal have?

- 6 The proposal will result in a scheme of 58 social rented tenure affordable housing units and improved greenspace for the Burmantofts & Richmond Hill ward.
- 7 The local Saxton Gardens’ residents will benefit from improved greenspace which is currently unmaintained and overgrown.
- 8 The proposal will have a positive impact on Leeds’ citizens facing poverty and inequality due to an increased availability of social rented housing. These additional social rented units will provide more opportunity for equality, diversity, cohesion and integration. The proposed scheme provides a mix of unit sizes fit for couples, families, for a range of age groups and people of varying ability.

- 9 The ground floor units will have private gardens which will provides health & wellbeing and security benefits.

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

Health and Wellbeing Inclusive Growth Zero Carbon

- 10 The proposal supports Health and Wellbeing as 54 North Homes will improve the surrounding greenspace having a positive impact for the residents of Saxton Gardens. The greenspace is currently unmaintained and overgrown and is not used by local residents.
- 11 The proposal supports Inclusive Growth as the disposal will facilitate a social rented scheme with a mix of unit sizes fit for couples, families, for a range of age groups and people of varying ability.
- 12 The proposal supports the Zero Carbon ambition as more city centre affordable housing will be available, which will allow residents to walk to work and/or be in close proximity to public transport systems. 54 North Homes will improve biodiversity on and around the site and the new homes will be very energy efficient.

What consultation and engagement has taken place?

Wards affected: Burmantofts & Richmond Hill

Have ward members been consulted? Yes No

- 13 Ward Members have been consulted and kept advised throughout the disposal by Land & Property Officers and by Planning Officers dealing with 54 North Homes' planning application.

What are the resource implications?

- 14 The Council will realise best consideration on completion of the sale (sale price detailed in the accompanying confidential appendix).

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

- 15 54 North Homes is about to secure full planning permission and will discharge conditions relating to their acquisition. The sale will complete shortly and the risk of it not doing so is extremely low.

What are the legal implications?

- 16 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.
- 17 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.
- 18 The proposal constitutes a Significant Operational Decision and is therefore not subject to call in.
- 19 The Deputy Head of Land and Property 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).

20 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 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.

Options, timescales and measuring success

What other options were considered?

21 At this advanced stage there are no options to consider. The sale will complete with 54 North Homes.

How will success be measured?

22 Completion of the sale to 54 North Homes Limited.

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

23 The sale should complete in a month's time. The Technical Services Lead Land & Property will be responsible for implementing the decision as Head of Service to the team managing the disposal.

Appendices

- Confidential appendix

Background papers

- There are none.