

Osmondthorpe Resource Centre, Osmondthorpe Lane, Osmondthorpe, Leeds, LS9 9EF

Date: 05th September 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

Osmondthorpe Resource Centre is a former contact centre/resource hub which was used for children and young adults with learning difficulties, until it ceased operation and became vacant in 2020. The building was declared surplus by Adults and Health on 04th November 2021, and the service was reprovisioned elsewhere.

Approval was given to dispose of the site at Executive Board on the 8th February 2023 and it is proposed to dispose of the site on the open market by way of public auction.

The site on which Osmondthorpe Resource Centre sits, extends approximately 0.35 hectares/0.865ac of which the current building occupies approximately half of the site as can be seen on the attached plan (10278/G).

Recommendations

It is recommended Osmondthorpe Resource Centre be disposed on the open market by auction, at a reserve price to be approved in accordance with the sub-delegation scheme.

It is recommended that a right of way be granted over the unadopted highway known as Osmondthorpe Lane as shown on the plan (10278/G). What is this report about?

- 1 This report relates to Osmondthorpe Resources Centre which is proposed to be sold on the open market by way of auction.

What impact will this proposal have?

- 2 The disposal will generate a capital receipt to the Council as well as absolve the Council of any retention and maintenance costs.

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

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 3 The disposal will impact the three pillars as the capital receipt realised from the sale and savings on the retention costs will be used by the Council on initiatives relating to the pillars. It is assumed that the new owner will develop the property which will directly impact on inclusive growth as the investment could create new job opportunities in the local area for people and businesses. Any redevelopment of the site would adhere to the Councils guidance on dealing with the Climate Emergency and contribute directly to the Councils ambition of carbon neutrality. If for example, it was suitable for residential redevelopment, it is assumed the houses would be built to the latest standards of energy efficiency and eco friendliness. That would produce a better standard of living for the owners/occupants as well as reduce our impact on the planet at the same time.

What consultation and engagement has taken place?

Wards affected: Burmatofts and Richmond Hill

Have ward members been consulted? Yes No

- 4 The Ward Members were consulted on 25 July 2023 and informed of the Councils intention to dispose of the site by public auction. A meeting took place with Cllrs Asghar Khan, Luke Farley and Nkele Manaka on 01st September 2023, and the disposal approach was discussed.

What are the resource implications?

- 5 The property 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 values objectives of the Council.

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

- 6 There is a risk that the property may not sell. However, this is unlikely given recent auction results which demonstrate strong interest in similar properties of this type and value.

What are the legal implications?

- 7 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.
- 8 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.
- 9 The proposal constitutes a **Significant Operational Decision** and is therefore not subject to call in.
- 10 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).

Options, timescales and measuring success.

What other options were considered?

- 11 Options relating to the proposed disposal are considered below:

- (a) **Option 1: Not to sell the property.** Retention of the property would require a high level of investment to bring it back into use and such a large investment cannot be justified. It is therefore not recommended that the property is retained and repurposed.
- (b) **Option 2: To sell the property on the open market by informal tender on a conditional basis.** This is a possible option, but this method can take many months to conclude, particularly if parties need to secure funding and/or a planning permission and does not offer the same level of certainty that the sale will complete or necessarily realise a higher receipt than at auction.
- (c) **Option 3: To sell the property by public auction.** This is the recommended option, particularly as it provides for a swift sale with the successful bidder required to exchange contracts on the day of the auction and complete the transaction four weeks later. This method generally achieves similar results to offers but obviates the holding costs associated with maintaining and securing premises. Based off the success of past auction disposals recently, it's likely that this method could produce the highest receipt to the Council in a quicker timeframe than conventional offers.

How will success be measured?

12 A sale being completed.

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

13 It is proposed Osmondthorpe Resource Centre will be marketed and sold by auction within the 2023/24 Financial year. Responsibility for implementing will rest with the Deputy head of land and property heading the land & property team who will manage the disposal.

Appendices

- Appendix 1 – site plan [10278/G].

Background papers

- None