

Adam's Court, Kildare Terrace, Leeds,

Date: 21 November 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

Adams Court is a grade II listed former Victorian School currently used as offices by Children's Services. As part of the rationalisation of LCC's operational portfolio the building has been identified as surplus to requirements and approval to inject into the Capital Receipt Programme and dispose - as outlined in the Accelerated Property Releases and Disposals report - was granted on 18 October 2023 by the Executive Board as a Key Decision (Reference: D56862). Accommodation for Children's Services staff that had occupied the building has been provided elsewhere within the Council's estate to help manage underutilisation; the building will be vacant by end of November 2023.

It is recommended the property be disposed of on the open market by way of public auction.

Adams Court is a substantial building extending to 20,231 sq ft (NIA) set over two storeys with a third storey in the eaves. There is a large tarmacadam car park to front together with a separate standalone store and a lodge next to the main entrance. The site extends to 0.89 acres and is approximately regular in shape and level in aspect.

Recommendations

It is recommended Adam's Court be disposed of on the open market by auction at a reserve price to be approved in accordance with the sub-delegation scheme.

What is this report about?

- 1 The proposed disposal of Adams Court on the open market by auction.

What impact will this proposal have?

- 2 The disposal will generate a capital receipt for LCC and help to improve more efficient use of the Council's retained estate.

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

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 3 The disposal will create a capital receipt for LCC and savings can be realised by avoiding holding costs – these monies can be reinvested in initiatives supporting the three pillars of Best City Ambition. The property is likely to be redeveloped into residential apartments and any scheme would need to be MEES compliant resulting in higher standards of energy efficiency, contributing to LCC’s ambition to be carbon neutral by 2030. A greater variety of better designed homes with green credentials would benefit the health and wellbeing of Leeds residents.

What consultation and engagement has taken place?

Wards affected: Beeston & Holbeck

Have ward members been consulted?

Yes

No

- 4 Ward Members were consulted on 5 October 2023 – no objections have been received.

What are the resource implications?

- 5 The property is surplus to requirements and there is no operational justification for its retention. In the circumstances, sale via auction is an efficient method of disposal and will minimise holding costs. This approach is in line with prudent asset management.

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

- 6 The property may fail to sell. However, this is considered unlikely given the nature of the property and its lot size. Similar LCC properties with redevelopment potential have performed well at previous auctions.

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, Technical Services Lead 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?

- a) Option 1: Hold the asset - there is no operational reason to do so.
- b) Option 2: Disposal by informal tender – a possibility, but a tender can take many months to negotiate and complete, particularly if the parties need to obtain funding and planning permission. These conditions do not align with the organisation’s imperative to generate funds expediently and with certainty. There is also no guarantee that this method of disposal will achieve greater sales proceeds than an auction.
- c) Option 3: Disposal by public auction – the recommended option. It provides a swift sale which is binding on both parties on the day of the auction and completion is expected within 20 working days. Given the substantial nature of Adams Court and to ensure best price is achieved the property will be marketed for a prolonged period (minimum of two months) whilst it is being decommissioned. Interest in the property by prospective bidders will be closely monitored.

How will success be measured?

12 Completion of the sale

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

13 The proposed auction date is 31 January 2024. Land & Property will be responsible for the implementation and management of this disposal.

Appendices

- Appendix 1 – site plan (14347C)

Background papers

- None