

6 Bridge Street, Otley, LS21 3AZ

Date: 04 December 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

6 Bridge Street is a detached house at the entrance to Manor Garth Park. It was previously let as a council house, but was declared surplus to requirements when it became vacant. The house is in need of refurbishment, but the cost to bring to social letting standards and current energy efficiency standards are prohibitive for the Council. There are no other uses for the house and it should be sold.

Recommendations

It is recommended that 6 Bridge Street be declared surplus to requirements and sold by way of public auction.

What is this report about?

- 1 This report relates to the future of 6 Bridge Street. The house was previously let as a council house. When it became vacant it was apparent refurbishment works were required for continued letting and for energy efficiency reasons. In addition, the house had been prone to flooding being close to the Rive Wharfe. Due to the high costs associated with refurbishment an options appraisal was undertaken. This concluded the Council could not justify expenditure to bring the house to lettable standards and there was a risk of the Council not being able to meet its landlord responsibility should the property flood. The options appraisal concluded the house should be sold.
- 2 On 25 July 2023 the Director of Communities, Housing and Environment declared 6 Bridge Street surplus to requirements and approved the suspension of lettings, the removal from charge and the disposal of the property. The extent of land declared surplus with the house is shown as Site 1 on plan 21794/M.
- 3 The house is accessed from Bridge Street via an access way through Manor Garth Park. To provide access to the house a small area of land (Site 2 on the plan) was declared surplus on 23 August 2023 the Head of Operations, Climate, Energy and Greenspace. It is proposed this land be included in the sale. A right of way will be granted by the Council over the cross-hatched land to provide access to the house.

- 4 Disposal of this house would divest the Council of ownership and maintenance costs and would generate a capital receipt to help support a wide variety of projects as part of the Best Council Plan. The house, at auction, is likely to be attractive to a builder for refurbishment and is likely to produce the highest receipt as opposed to other methods of disposal.
- 5 The Council will oblige the new owner to erect and maintain fences between points A, B, C, D, E, F and A.

What impact will this proposal have?

- 6 The sale of the property, which is surplus to Council requirements, will generate a capital receipt which shall support the Best Council Plan. It is most likely that the property will be refurbished and brought back into habitable use, contributing to the Best City Priority of Housing in the Best Council Plan. The Council will impose an obligation on a new owner to refurbish the house within 12 months, and in the event of failure to refurbish the Council will have the option to repurchase at either the original transfer price or market value whichever is the lower at the time of repurchase.

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

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 7 The house is in a poor state of repair, once improved it should enhance the local neighbourhood and provide much needed housing. Home ownership is known to contribute to health and wellbeing.

What consultation and engagement has taken place?

Wards affected: Otley and Yeadon

Have ward members been consulted? Yes No

- 8 Ward Members have been consulted by Communities, Housing and Environment on 26 October 2022 and by Parks and Countryside on 16 August 2023. Cllr C Campbell responded by email on 16 August 2023 to confirm his acceptance of the proposal as set out herein Cllr S Lay and Cllr R Downes were cc'd into Cllr Campbell's email but neither have made a direct comment.
- 9 The Executive Member for Resources was consulted on 19 December 2023 via email and raised no objections.
- 10 On 19 December 2023 the Head of Asset Management consulted the Chief Officer Climate, Energy and Green Spaces who confirmed support for the disposal.
- 11 As part of the garden of the house is allocated greenspace Public Open Space Notices were placed in the Yorkshire Post on 6 January 2024 and 13 January 2024 giving the public until 20 January 2024 to comment on the intention to dispose of this small part of property. There have been no objections, queries or comments made and the Council has fulfilled its obligation to advertise the intended disposal of greenspace / public open space.

What are the resource implications?

12 The property is currently vacant and in a poor state of repair. Disposal of the house would divest the Council of ownership and maintenance costs and would generate a capital receipt to help support a wide variety of projects as part of the Best Council Plan. Disposal at auction is likely to produce the highest receipt as opposed to a disposal by any other method. The proposal represents good estate management by maximising income generation and removing holding costs. Disposal will be at or above a reserve price to be approved by the Head of Asset Management.

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

13 The main risk is that the property does not sell at auction, however this is unlikely given the location of the property and demand for this type of renovation project.

What are the legal implications?

14 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.

15 The Chief Officer Asset Management and Regeneration, Head of Asset Management, Technical 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.

16 The proposal constitutes a Significant Operational Decision and is therefore not subject to call in.

17 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?

18 Offer the property to the Council's Housing Growth Team but Housing Growth do not wish to include the subject property in their acquisition programme thus releasing it for sale.

19 Not to sell the property. However, this is not recommended as there is no justifiable reason to retain the property.

20 To sell the property on the open market by way of offers. Whilst this method would also satisfy best consideration requirements, given that offers may be conditional on surveys or obtaining finance or selling other assets to purchase there is a risk that interested parties may either withdraw or reduce their offer during the process. An auction sale not only meets best consideration requirements but provides a shortened timescale for completion and earlier capital receipt for the Council. Recent auction sale results demonstrate strong interest for properties such as Bridge Street at auction.

How will success be measured?

21 Success will be measured by completion of the sale.

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

22 It is proposed to dispose of the house in financial year 24/25.

Appendices

- None

Background papers

- None