

Sale of Broom Hill Family Centre, Nowell Court, LS9 6TW

Date: 29 January 2024

Report of: Land and Property

Report to: Director of City Development

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

Broom Hill Family Centre was declared operationally surplus by the occupying service in December 2023.

Approval was given to dispose of the property at Executive Board on the 18 October 2023, this was a key decision (D56862) and it is proposed to dispose of the site on the open market by way of 1:1 negotiation as a private treaty sale. The owning service declared the property surplus to service requirements on 11 December 2023 and it is recommended that this report serves to declare the property surplus to Council requirements with the authority to sell as a 1:1 negotiation, reserving the ability to sell at auction should the private treaty disposal not reach a satisfactory conclusion.

The property consists of a single storey detached building with a flat roof, on a plot measuring appropriately 1,500m² (0.37ac) as can be seen on the attached plan (22999/A).

Recommendations

It is recommended that the Chief Officer Asset Management and Regeneration approves :

- a) The decision to declare Broom Hill Family Centre surplus to Council requirements.
- b) Disposal by one to one negotiation with the adjoining land owner (a registered provider) as detailed in the confidential appendix.
- c) If disposal by one to one negotiation cannot be reached by the agreed deadline the property is to be sold on the open market by way of auction.

What is this report about?

- 1 This report details the Council's intention to sell the subject property in a one-to-one negotiation with the owner of the adjoining site.

What impact will this proposal have?

- 2 This proposal will realise a capital receipt to the Council as well as alleviating any further maintenance liabilities.

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 purchaser will redevelop 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 property would need to adhere to the Councils guidance on dealing with the Climate Emergency and contribute directly to the Councils ambition of carbon neutrality. The adjoining landowner is a registered provider so a one to one disposal should realise a number of affordable housing units which are in high demand.

What consultation and engagement has taken place?

Wards affected: Burmantofts & Richmond Hill

Have ward members been consulted? Yes No

- 4 The Ward Members were consulted as part of the Executive Board report. They were updated on 8 January 2024 and informed of the Councils intention to dispose of the site by public auction. Cllr Farley replied expressing concern that the property would no longer be used for community purposes. Ward Members were updated on 24 January advising them that we would be seeking to secure a 1:1 disposal in advance of pursuing a disposal via auction.

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 the interested party's vested interest in the site and eagerness to purchase the site. Should the property not be sold by way of a one to one agreement, it will be entered into an auction.

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 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).
- 11 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?

12 Options relating to the proposed disposal are considered below:

- a) **Option 1: Not to sell the property.** Alternatively, there was the option to not sell the site. This however is not recommended as the Council has no use for the property. 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 option was not recommended as the process can be very time consuming and does not always guarantee a high receipt. This process is rarely favoured over auction/1:1 disposals for this type of property.
- c) **Option 3: To sell the property by public auction.** This 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 on the success of past auction disposals recently, the subject property is suitable for this disposal route. Should the method outlined in option 4 not be successful, the property will be marketed for disposal by way of auction.
- d) **Option 4: To sell the property unconditionally as a 1:1 negotiation.** This is the option being pursued in the first instance due to being approached by the owner of the adjacent site, therefore they have a vested interest in the property.

How will success be measured?

13 Success will be measured by a sale of the property completing.

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

14 It is proposed that Broom Hill Family Centre will be sold within the 2023/24 Financial year. Responsibility for implementation is with the Land & Property team who will manage the disposal.

Appendices

- Appendix 1 – site plan (22999)
- Appendix 2 – confidential appendix

Background papers

- None.