

The Former Crossgates Library building Farm Road, Crossgates, LS15 7LB - Declaring Surplus to Council Corporate Requirements and Disposal

Date: 12 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

The former Crossgates Library was constructed in 1939 and was an operational library until May 2022, when the building was considered too large for the library service. Co-locating with partners was explored, but the partners withdrew interest, as such the library service has sought and found a space that is appropriate in size. This relocation was originally on a temporary basis but, following a Needs Assessment completed on 15 January 2024, has since been declared a permanent solution by the Director of Communities, Housing & Environment on 2 February 2024. In turn, the Former Crossgates Library building was declared operationally surplus by the Director of Communities, Housing & Environment on 2 February 2024, reference no. D57125.

Crossgates Library was placed in void management on 23rd May 2022. Since becoming vacant, the library has become the target of anti-social behaviour and has been subject to extensive damage.

The building is part of the "Accelerated Property Releases and Disposals" report, which was approved by Executive Board on the 18th October 2023, as a Key Decision.

Recommendations

It is recommended that the former Crossgates Library building be declared surplus to council corporate requirements and disposed 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 This report relates to the disposal of the former Crossgates Library building on the open market by way of auction.

What impact will this proposal have?

- 2 The former Crossgates Library building was considered too large for the library service, co-locating with partners was explored but the partners withdrew interest, as such the library has sought and found a space that is appropriate in size, where it will remain. Therefore the property has been vacant since May 2022 when the library services in the building were relocated to Crossgates Shopping Centre. Disposal of the property will result in a capital receipt for the Council as well as absolving 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 need to adhere to the Councils guidance on dealing with the Climate Emergency and contribute directly to the Councils ambition of carbon neutrality.

What consultation and engagement has taken place?

Wards affected: Killingbeck & Seacroft

Have ward members been consulted? Yes No

- 4 The former Crossgates Library building was considered at Executive Board on the 18th October 2023, where the following report was approved: "Accelerated Property Releases and Disposals". The report was considered as a Key Decision ref: D56862. The former Crossgates Library was included in Table 1 of the report, it was resolved:

"That the accelerated release of the properties set out in Table 1 of the submitted report, be agreed, and where identified, agreement also be given for their inclusion within the Capital Receipt Programme for disposal."

- 5 Ward Members have been keen to consider a community solution for the building. Several proposals have been presented over the past 18 months; however, concerns have remained around the sustainability of the proposals and the level of funding required and obtainable to bring the building back into use. Asset Management Officers have met with ward members several times since the building was vacated as ideas for the building were discussed but given the passage of time in considering alternative options, and in consultation with the Executive Member for Resources , the opportunity was drawn to a close. Noting bidding for the property by auction will be available.
- 6 Ward Members have been advised on several occasions by Strategic Asset Management about the proposal to pursue the disposal of the property with initial ward member engagement taking place on the 20th February 2023.

What are the resource implications?

- 7 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?

- 8 There is a risk that the property may not sell. However, this is considered low given recent auction results which demonstrate strong interest in similar properties of this type and value. The price realised will reflect the current condition of the building and the financial investment a new owner will have to make in completing a refurbishment before realising any income or receipt from the investment. An appropriate guide price will be advertised by an appointed auctioneer and reserve price will be considered with the auctioneer taking into account the level of interest expressed. The reserve price will be approved in accordance with the sub-delegation scheme. The auction sale will be on an unconditional basis. In the unlikely event of a purchaser not being secured at auction the reserve can be reviewed and the property re-auctioned, or alternative methods of sale considered.

What are the legal implications?

- 9 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.
- 10 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.
- 11 The proposal constitutes a Significant Operational Decision and is therefore not subject to call in.
- 12 The Deputy Head of Land and Property confirms that in their opinion the sale by auction is the method of sale that will result in the Council fulfilling its obligation to realise 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?

- 13 Options relating to the proposed disposal are considered below with the associated risks and reasons for dismissing:
- a) Option 1: Sale by Informal Tender on a conditional basis – This can be a time-consuming method of sale and could extend the disposal process to two years or more. This method of disposal is not recommended due to the time implications relating to the purchaser securing funding and/or a planning permission. Furthermore, it does not offer the same level of certainty that the sale will complete within the 20 working days set by the auction contract or necessarily realise a higher receipt than would be achieved at auction.
 - b) Option 2: Sale by Informal Tender on an unconditional basis –This method of disposal is not recommended due to the possibility of the purchaser delaying exchange of contracts or deciding not to complete even after exchange. This often happens if the purchaser has not fully considered the costs involved in acquiring and developing the property.
 - c) Option 3: Sale by Formal Tender –a method of sale very similar to auction but without the transparency of bids being seen in a public forum which can assist in securing a higher capital receipt. For this reason a disposal by auction is favoured over formal tender.
 - d) Option 4: Sale by Auction – Bidding is undertaken in a very transparent way with bidders aware of other bids being made. This is the advantage over a sale by Formal Tender and

could encourage improved bids being made. Contracts will be exchanged immediately on fall of the hammer and completion will be on an unconditional basis within a short-defined timescale.

14 After reviewing the options available for the disposal of the former Crossgates Library building, it is considered and recommended that a sale by auction be pursued. This should result in a swift sale at a price which meets the Council's obligation to realise best consideration.

How will success be measured?

15 A sale being completed.

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

16 It is proposed that the former Crossgates Library building will be marketed and sold by auction in Financial Year 2024/25. Responsibility for implementation 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 (19168/B)

Background papers

- There are none.