

Meadow Lane, Holbeck – Deed of Assignment

Date: April 2023

Report of: Technical Services Lead, Land & 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

In 2003 the Council and West Yorkshire Combined Authority (WYCA) exchanged contracts for the sale of numerous parcels of Council land to WYCA. The land was required to assemble routes for the Supertram lines. WYCA's interest in the sites was registered and the land remained in the ownership of the Council whilst proposals for a new mass transit system for Leeds continued. One such site is at Meadow Lane, Holbeck. WYCA's interest is registered on part of the Council's Meadow Lane development site. Mass Transit will not enter the city centre across this site and WYCA has agreed to withdraw its interest. This report recommends the Council completes a Deed of Assignment with WYCA to legally document the Meadow Lane site being released from the 2003 Agreement.

Recommendations

It is recommended:

- i) Approval be given to the Council and WYCA completing a Deed of Assignment releasing the Meadow Lane site from the 2003 Agreement on the terms detailed.
- ii) Approval be given to the consideration payable to WYCA on completion of the Deed of Assignment.

What is this report about?

- 1 In 2003 the Council and WYCA exchanged an Agreement for WYCA's acquisition of numerous sites from the Council to assemble three lines for the proposed Supertram system. The Agreement was an exchange of contracts for WYCA's acquisition of the sites when the sites were needed. On exchange the Council received the total purchase price of the sites as a 100% deposit. WYCA registered the Agreement at HM Land Registry and any search of the sites will show WYCA having a beneficial interest. This is to prevent the Council freely dealing the sites (potentially selling them) without purchasers being alerted to WYCA's interest, and importantly WYCA being alerted.
- 2 Since Supertram was abandoned and other mass transit systems have been discussed with alternative routes it became clear over the years particular sites in the 2003 Agreement would not be required. One particular site is 'Plot No.1 Meadow Lane, LS11 South Leeds Route.' This site falls partly within the Council's Meadow Lane development site. The South Leeds Route will not be constructed and the Council's reconfiguration of the roads around Meadow

Lane has been completed, together with construction of new greenspace and creation of the Meadow Lane development site. The Council's development site is shown on the accompanying plan 19910GC together with the WYCA Plot No.1 falling within and outside the development site. The WYCA beneficial interest clearly affects the development site and WYCA has agreed to release its interest and the whole of its Plot 1 to the Council. This will be documented by way of a Deed of Assignment to be completed between the parties. The terms of the release are detailed in the accompanying confidential appendix.

What impact will this proposal have?

- 3 Upon completion of the Deed the Council will be able to deal with its development site without reference to WYCA. Rather than completing a Deed of Assignment now, WYCA could have retained its interest and completed the release upon sale of the site by the Council. Completing the release now with WYCA will remove WYCA's overriding interest in the site. It will avoid any element of conditionality being requested by a selected purchaser that a release be obtained by the Council, and removes the risk of a release not being obtained in the future.
- 4 The impact of the proposal on Equality, Diversity, Cohesion and Integration has been assessed. Officers have concluded no issues arise from the proposal. An assessment form is attached as an appendix to this report.

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

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 5 The proposal will enable the Council to continue the disposal of the Meadow Lane development site clearly demonstrating to interested parties no other overriding interest exists in the site. A risk is removed from that project which has objectives to bring new affordable homes and energy efficient homes to the centre of Leeds.

What consultation and engagement has taken place?

Wards affected: Hunslet & Riverside

Have ward members been consulted?

Yes

No

- 6 Ward Members have been consulted throughout the Meadow Lane highway and greenspace works, and were advise of the intention to advertise the development site for sale for residential use with a preference that the element of affordable housing be provided in excess of the usual planning policy requirement of 7%. Marketing was undertaken by agents Cushman & Wakefield between 14 March 2023 and 4 May 2023. It is not considered necessary to advise Ward Members about the terms of the release with WYCA as it is a minor part of the overall disposal and redevelopment of the site upon which Members will continue to be briefed.

What are the resource implications?

- 7 There will be a financial implication for the Council as reasonably WYCA has requested the purchase price paid for the land in 2003 be returned by the Council with interest. Details are in the confidential appendix.
- 8 The request for a financial consideration to be paid to WYCA on completion of the release was considered a meeting of the Best Council Team: Strategic Investment on 27 July 2023. It was minuted the payment to WYCA would be netted off the capital receipt received in the future from the sale of the Meadow Lane development site.

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

- 9 Completing the release with WYCA now will enable the Council to complete the sale of the Meadow Lane development site without reference to WYCA. It will also remove any uncertainty a purchaser may have whether WYCA will remove their registered beneficial interest from the Council's title.

What are the legal implications?

- 10 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.
- 11 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.
- 12 The proposal constitutes an Administrative Decision and is therefore not subject to call in.
- 13 The information contained in the Appendix 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 relation to certain companies and charities. It is considered that since this information was obtained through one to one negotiations for the purchase of the land/property referred to then it is not in the public interest to disclose this information at this point in time. Also, the release of such information would or would be likely to prejudice the Council's commercial interests in relation to and undermine its attempts to acquire by agreement similar properties in the locality in that owners of other similar properties would be aware 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 available from the Land Registry following completion of the purchase 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?

- 14 Rather than completing the release now with WYCA the Deed of Assignment could be complete upon sale of the Meadow Lane development site. This, however, could give the site purchaser an element of uncertainty whether the Deed of Assignment would actually be completed. The purchaser would most likely place a condition on the Council to secure the release thereby adding risk and uncertainty to the sale. Completing the Deed now removes the overriding interest and all associated risk and uncertainty.

How will success be measured?

- 15 That the Deed of Assignment is completed.

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

- 16 The Deed is likely to be completed within a month. The Technical Services Lead Property Services will be responsible for implementation as manager of the Land & Property team handling the case.

Appendices

- Equality, Diversity, Cohesion & Integration Impact Assessment Form
- Confidential Appendix
- Plan.

Background papers

- There are none.