

Former South Pudsey Community Centre, Buildings at Kent Road, LS28 9BN

Date: 19th July 2024

Report of: 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

The building is a former single storey children's nursery extending to 350 sq m (3,777 sq ft) occupying a 0.56 hectare (1.38 acre) site and car park for 10-12 vehicles. This is a sloping site with self-seeded mature trees to the north, east and south of the building as identified in a tree survey.

The property was declared surplus on 01/09/2022 by the Head of Early Help Services after the Children & Family's team who had been using the property pre-COVID had vacated the property to instead work remotely. The property has been vacant since March 2020.

Recommendations

It is recommended that the Former South Pudsey Community Centre is:

- (1) Declared surplus to Council requirement.
- (2) 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 South Pudsey Community Centre as it is no longer appropriate to retain in the Council's ownership and should be disposed on the open market by way of auction.

What impact will this proposal have?

- 2 The property has remained vacant since being operationally declared surplus in 2022. The 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.
- 3 The Ward Members were emailed on 8th December 2022, informing them of the Council's intention to dispose of the site by public auction. No comments were received.
- 4 Ward Member were updated on the new auction date on 24th June 2024.

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

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 5 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 Council's guidance on dealing with the Climate Emergency and contribute directly to the Council's ambition of carbon neutrality.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?

Yes

No

- 6 The Ward Members were emailed on 8th December 2022, informing them of the Council's intention to dispose of the site by public auction. No comments were received.
- 7 Ward Member were updated on the new auction date on 24th June 2024.
- 8 The property was detailed within the capital receipts list on the 7 February 2024 Executive Board Report.

What are the resource implications?

- 9 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?

- 10 There is a risk that the property may not sell. However, this is unlikely 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 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?

- 11 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.
- 12 The Chief Officer Asset Management and Regeneration, Head of Asset Management and Technical Services Lead have authority to take decisions in relation to Asset Management as delegated in the Director of City Development's sub delegation scheme.
- 13 The proposal constitutes an admin decision and is therefore not subject to call in.

14 The Technical Services Lead confirms that in her 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?

- 15 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 28 day 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.
- 16 After reviewing the options available for disposal of Former South Pudsey Community Centre, 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?

17 A sale being completed.

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

18 It is proposed that Former South Pudsey Community Centre will be marketed and sold by auction on 18th September 2024. 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.

Background papers

- None