

Disposal of Hough Lane Centre, Hough Lane, Bramley

Date: 15 August 2024

Report of: Land & 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

Hough Lane Centre is a Grade-II listed former school building currently used as Council offices. The property measures 1,494sqm and occupies a site of 0.77 acres. Hough Lane Centre is on the Capital Receipts Schedule for financial year 2024/25, it is currently in the process of being vacated by the current occupying departments. The property was declared surplus to Council requirements at Executive Board on 8 February 2023.

Approvals are sought to sell the property at auction to realise a capital receipt and to alleviate the Council of future maintenance liabilities.

Recommendations

It is recommended that:

- a) The property is sold with vacant possession 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 Hough Lane Centre in Bramley 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 This proposal will alleviate the Council of various operational running costs in keeping the building open, as well as producing a capital receipt in the form of a sale.
- 3 It is likely that the property will be converted into residential use as has been seen in previous schemes across Leeds such as Rawdon Littlemoor.

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

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 4 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 potentially for residential use. This will mean that the local area will see an increase in housing provision and it will have a direct impact on inclusive growth as the investment could create new job opportunities in the local area for people and businesses. Planning consent would only be granted on the grounds that the Grade-II listed building and adjoining railings were preserved which will protect the historic aesthetic of the area 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: Bramley & Stanningley

Have ward members been consulted? Yes No

- 5 Ward members were consulted by email on 30th July 2024. Cllr Hinchcliffe responded on 31st July 2024 enquiring as to whether there were any interested parties but did not raise an objection. I did not receive a response from Cllr Rae or Cllr Ritchie.
- 6 Ward members will be updated by email once the property is listed by the auctioneer.
- 7 The property was detailed within the capital receipts list on the 8 February 2023 Executive Board Report and was subsequently declared surplus to Council requirements.

What are the resource implications?

- 8 The property is surplus to Council requirements and will become vacant at the end of the calendar year. No operational reason has been identified to justify its retention. Disposal of the property will alleviate the Council of future maintenance liabilities. Hough Lane Centre is Grade II listed and so will be costly to keep in a state of good repair. It is also a very large site which requires a lot of energy consumption to keep in occupation, disposal of this will also alleviate these costs.

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

- 9 There is a risk that the property will fail to sell at auction, however this is unlikely due to the recent success of properties being sold at auction as well as the uniqueness of Hough Lane Centre itself, it is likely to be a popular listing. 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?

- 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 Services Lead (Land and Property) and Executive Manager Land and Property

(Deputy) 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 a Publishable Admin Decision and is therefore not subject to call in.

13 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?

14 *To not sell the building.* This is not a viable option due to the Council's financial constraints, as the disposal of such an asset will likely realise a high receipt. It is therefore not recommended to retain and repurpose the property.

15 *To sell the building on the open market by informal tender on a conditional basis.* This is a possible option but can take many months to conclude, particularly if parties need to secure funding and/or planning permission. Additionally, a sale by this method may not necessarily yield the same level of receipt as a sale at auction. It is therefore recommended to pursue a sale at auction.

16 *To sell the building on the open market by formal tender.* This method is usually reserved for large development sites with many potential uses and values. It is also a very time-consuming method and is not suitable for a disposal of this type.

How will success be measured?

17 A sale being completed.

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

18 The timescale is one that will achieve a capital receipt within the current financial year. Dan Patton is the lead surveyor, and Rory Crawford is the lead solicitor.

Appendices

- Plan 14732/D

Background papers

- None.