

Land at Gipsy Lane, Beeston, Leeds, LS11 5TT

Date: 14th October 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 subject property is a former dog kennels on a site which measures 0.178 Hectares (0.44 acres) see appended plan 18793/Q. The site is largely covered in heavy vegetation. There are a number of single storey buildings in poor state of repair. The subject property is within the Greenbelt.

The subject property was previously leased out for many years. The lease was surrendered in January 2024 and has been vacant since, with the property now being in void management.

The property client department Climate, Energy and Greenspaces are in the process of declaring it surplus.

Recommendations

It is recommended that the Land at Gipsy Lane is:

- (1) Declared surplus to Council requirement.
- (2) Injected into the Council's Capital Receipt Programme and disposed on the open market by auction, at a reserve price to be approved in accordance with the sub-delegation scheme.
- (3) That a right of way be granted over the unadopted highway on Gipsy Lane as shown on plan 18793/Q.

What is this report about?

- 1 This report relates to the disposal of the Land at Gipsy Lane as it is no longer considered appropriate to retain in the Council's ownership and should be disposed on the open market by way of auction.
- 2 This report also sets out the requirement to grant access rights to the purchaser as detailed in the appended plan 18793/Q.

What impact will this proposal have?

- 3 The property has remained vacant since the previous lease agreement for the site was surrendered in January 2024. 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.

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 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

- 5 The Ward Members were emailed on 14th October 2024, informing them of the Council's intention to dispose of the site by public auction. Cllr Andrew Scopes raised concerns about the potential use of the site after disposal. This was resolved when it was explained that the property lies within the greenbelt and that any development proposals would need to come forward in the context of the greenbelt policy.
- 6 The Executive Member for Resources was briefed on the proposed disposal on 11th November and is supportive of the proposed approach.
- 7 This site was considered by the Council's Strategic Development Group on 20th September 2024. Comments received were that the site would be suitable for a potential small-scale residential development. Options to use the site for tree planting or BNG had been considered however the high clearance costs quoted for the site of £90,000 have made these options unsuitable.

What are the resource implications?

- 8 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?

- 9 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 property and financial investment a new owner will have to make in considering its future uses or opportunities to generate any income or receipt from it. 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 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.
- 12 The proposal constitutes an 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 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.
- 15 After reviewing the options available for disposal of Land at Gipsy Lane, 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?

- 16 A sale being completed.

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

- 17 It is proposed that the Land at Gipsy Lane will be marketed and sold by auction in the current financial year (24/5). Responsibility for implementation will rest with the Technical Services Lead, Land & Property team who will oversee the disposal.

Appendices

- Appendix 1 – site plan.

Background papers

- None