

Disposal of Leeds Postal Workers Club, Kirkstall

Date: 29 October 2024

Report of: Land and Property

Report to: Chief Officer Asset Management and Regeneration (Interim)

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

The Council disposed of its legal interest in the Kirkstall District Centre site in May 2021 to Artisan Real Estate. The Council retained the freeholder interest of land on which the Leeds Kristal Postal Workers club is sited as shown on the attached plan 18600/AH. The Postal Workers Club have two ground leases with 32 years remaining. The ground lease allowed the club building and part of the car park to be constructed. The Club went into administration in early 2023 however they have continued to pay their rent. Artisan the adjacent owner has approach the Council and the Postal Workers Club to purchase the property.

The proposed transaction will generate a capital receipt to the Council that will contribute to the Best Council Plan by supporting communities and promoting sustainable and inclusive economic growth. It will also facilitate the continued development of the site and in turn, the delivery of new sustainable homes in Kirkstall and this will provide better accommodation for the people of Leeds.

Recommendations

That approval be given to a one to one disposal of the subject property on the terms detailed within the confidential appendix.

What is this report about?

- 1 The report seeks approval to a one to one disposal of the subject property to Artisan who own and are bringing forward a development of the adjacent site.

What impact will this proposal have?

- 2 The disposal will generate capital receipt to the Council and alleviate any management costs going forward. In addition the disposal to the owner of the adjacent site will secure a more comprehensive development scheme creating additional regeneration benefits.

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

Health and Wellbeing

Inclusive Growth

Zero Carbon

What consultation and engagement has taken place?

Wards affected: Kirkstall

Have ward members been consulted?

Yes

No

- 4 The Executive Member for Resources was consulted on 10 January 2024 and was supportive of the disposal. Ward Members were consulted on 10 January 2024. Councillor Venner raised concerns regarding possible future use of the site in relation to planning and the impact on Highways. Planning colleagues confirmed that a planning application would be required in relation to redevelopment of the site and this process would include a consultation with Highways. No further Councillor comments were received. Given there has been no change in the principle outlined to the Councillors no further consultation has been carried out.

What are the resource implications?

- 5 The disposal will reduce the required Land and Property resource in the management of the long lease.

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

- 6 There is little risk to the Council in entering into the one to one disposal as it will produce a capital receipt and reduce any future management and maintenance costs to the Council. As part of the agreement there is a set timetable in order for the disposal to complete in a timely manner which will be closely managed by Land and Property.

What are the legal implications?

- 7 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.
- 8 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.
- 9 The proposal constitutes a **Admin decision** and is therefore not subject to call in.
- 10 The Executive Manager (Deputy Head) Land and Property confirms that in their opinion the terms offered to the Council represent the best consideration that can reasonably be obtained under Section 123 of the Local Government Act 1972 (or under the Housing Act 1985).
- 11 The information contained in the Appendix attached 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 respect of certain companies and charities. It is considered that since this information was obtained through one to one negotiations for the release of a restrictive covenant and deeds of variation then it is not in the public interest to disclose this information at this point in time. Also it is considered that the release of such information would or would be likely to prejudice the Council's commercial interests in relation to other similar transactions in that prospective purchasers of other similar properties would have access to information 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 publicly available from the Land Registry following completion of this transaction 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?

12 The options associated with one-to-one disposal are considered in the confidential appendix.

How will success be measured?

13 Success will be measured by the completion of the legal documents and payment to the Council.

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

14 As soon as possible.

Appendices

- Confidential Appendix 1: Terms for the proposal.
- Appendix 2: Plan showing subject site.

Background papers

- None