
Executive Decision

Freehold sale by auction of
499 Saffron Lane, Leicester, LE2 6UJ.

Decision to be taken by: City Mayor

Decision to be taken on: 27 March 2023

Lead Director: Matthew Wallace

Useful information

- Ward(s) affected: Aylestone
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1. Summary

The purpose of the report is to seek approval to proceed to the sale by auction of 499 Saffron Lane, Leicester, LE2 6UJ and all associated land.

2. Recommended decision

The City Mayor is asked to formally approve:

- The sale by auction of 499 Saffron Lane, Leicester, LE2 6UJ. This decision is reserved for the City Mayor because it meets the criteria of a sale as covered in paragraph 8 of the Scheme of Delegation. The sale of land is not a criterion to qualify as a key decision. The Director of Estates and Building Services has approved the valuation and reserve.

3. Scrutiny

The sale of land is not a criterion to qualify as a key decision.

4. Background and options with supporting evidence

The Housing Division as site owners have declared the Saffron Lane Housing Office as surplus to requirements following a review of their estate offices.

The Council undertook a comprehensive Asset Development Review (ADR) which advised that the building was surplus to Council requirements. Repurposing options included conversion to affordable housing, use as a community shop and use as offices under the Corporate Estate investment portfolio.

Following consideration of all options proposed, disposal at public auction is recommended to achieve best consideration for the Council. Any future change of classification of use will be the responsibility of the purchaser in liaison with the planning authority.

5. Detailed report

Property

499 Saffron Lane, Leicester, LE2 6UJ.

5.1 Background

- 5.1.1 The site was closed in response to the central government imposed Covid-19 regulations from March 2020.
- 5.1.2 The Covid-19 pandemic had a major impact on Leicester City Council's operations and organisation, which required adaptation of the Council's working practices. In common with many organisations, a major shift to home and flexible working occurred. Working in a more agile way which maximises the use of technology presents opportunities to achieve efficiencies including revenue savings through reduced use of office space and buildings such as in the case of 499 Saffron Lane, Leicester, LE2 6UJ where all services were rationalised through improved centralised processes.
- 5.1.3 The site is no longer required as an office base and an ADR concluded that repurposing of the site was not considered viable for either conversion or new build affordable housing. The building was further discounted as a community shop due to the size requirement. Other considerations discounted included use within the Corporate Estate investment portfolio. Following consideration of all options proposed, disposal at public auction is recommended to achieve best consideration for the Council.

5.2 Previous site use

- 5.2.1 The site was converted to an office from a warehouse/factory and has a brick façade. Access is provided via the front elevation on Saffron Lane.

5.3 Current Open Market Valuation

A external Open Market Valuation has been undertaken and annexed at Appendix A and has been marked – **Not for Publication**. (See Paragraph 9 below)

5.4 Planning authority

- 5.4.1 The property is situated within the Aylestone Ward fronting Saffron Lane. The site is not listed and is not in a conservation area.
- 5.4.2 The site lies primarily in an employment area but neighbours and fronts a residential area.
- 5.4.3 Lack of suitability for residential use was supported by the ADR and external valuation.

5.5 Recommendation

5.5.1 Due to the site having a large footprint, being within an employment area with adjacency to a residential area it is anticipated there will be significant market interest in the purchase of the site.

Therefore, disposal by auction of 499 Saffron Lane, Leicester, LE2 6UJ is recommended in order to achieve best financial consideration under S123 of the Local Government Act 1972. This decision is reserved for the City Mayor because it meets the criteria of a sale as covered in paragraph 8 of the Scheme of Delegation. The sale of land is not a criterion to qualify as a key decision. The Director of Estates and Building Services has approved the valuation and reserve.

6. Financial, legal, equalities, climate emergency and other implications

6.1 Financial implications

499 Saffron Lane is an asset held within the Housing Revenue Account (HRA). Revenue costs of £80k per year were being incurred when the building was fully operational; this will be a saving to the HRA following the sale of the building. As a non-dwelling asset within the HRA, the capital receipt from its sale can be used for (a) the repayment of housing debt, (b) affordable housing or (c) regeneration projects within either the HRA or General Fund.

Stuart McAvoy – Head of Finance

6.2 Legal implications

From investigations undertaken Estates, although the property was originally acquired as part of the corporate estate, the property is now held for housing purposes under the HRA and had been used as a Neighbourhood Housing Office for a number of years. It is however now surplus to Housing's requirements and is vacant. Section 32 of the Housing Act 1985 gives local authorities the power to dispose of land held for housing purposes. Where the proposed future use is not for housing purposes, secretary of state approval would usually first have to be obtained. However, under The General Housing Consents 2013, a general consent (General Consent A3.2) has already been issued which permits local authorities to dispose of vacant land provided that disposal is at market value.

Under Section 123 of the Local Government Act 1972 the Council is required to dispose of land for the best consideration that is reasonably obtainable in the circumstances.

The disposal will also need to be in accordance with the Council's Property Disposal Policy Framework. The City Mayor will need to be satisfied that the disposal accords with the relevant provisions of the Framework.

The intended disposal by way of auction should satisfy the requirements to obtain best consideration as the auction is an open market exercise, although the Council will also need to ensure that the Council's general fiduciary duty is complied with in disposing of assets in accordance with the Disposals Framework.

Zoe Iliffe, Principal Lawyer (Property & Highways)

6.3 Equalities implications

Under the Equality Act 2010, public authorities have a Public Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

The recommendation of the report does not have any direct equalities implications; however, it is important that the process is open, transparent, and accessible.

Surinder Singh, Equalities Officer, Leicester City Council

6.4 Climate Emergency implications

Buildings are one of the largest sources of carbon emissions in Leicester. Following the city council's declaration of a Climate Emergency and aim to achieve net zero carbon tackling these emissions is key.

The removal of this building from the Council's portfolio is not expected to have a significant impact on the Council's carbon emissions. However, any redevelopment of the building following its sale will be required to abide by local planning policy and building regulations in respect of energy efficiency.

Duncan Bell, Change Manager (Climate Emergency), Leicester City Council

6.5 Other implications

None

7. Background information and other papers:

N/A

8. Summary of appendices:

Appendix A – Financial Appraisal and Valuation Report **Exempt from Publication see Paragraph 9 below**

9. Is this a private report

The general covering report is not confidential, but the specific financial details given about the property and its valuation in Appendix A is considered exempt from publication. This is

exempt information as defined in Paragraphs 1 and 3 of Schedule 12A of the Local Government Act 1972, as amended. Appendix A is therefore marked "Not for Publication".

Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

10. Is this a "key decision"?

No