
Executive Decision

Freehold sale by auction of
10 York Road, Leicester, LE1 5TS.

Decision to be taken by: City Mayor

Decision to be taken on: 26 JUNE 2023

Lead Director: Matthew Wallace

Useful information

- Ward(s) affected: Castle
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1. Summary

The purpose of the report is to seek approval to proceed to the sale by auction of 10 York Road, Leicester, LE1 5TS and all associated land.

2. Recommended decision

The City Mayor is asked to formally approve:

- The sale by auction of 10 York Road, Leicester, LE1 5TS. 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

Estates and Building Services as site owners have declared this Corporate Landlord Administration Office 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, 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

10 York Road, 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from March 2020 and whilst the site did re-open in 2021, the use was limited, and all staffing operations were withdrawn during 2022.
- 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 10 York Road, Leicester, LE1 5TS 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 by the Council. Other considerations discounted included use within the Corporate Estate investment portfolio as no suitable tenant has been identified. Running costs for the building are annexed at Appendix A and has been marked – **Not for Publication**.
- 5.1.4 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 built as an office c.1990. Access is provided via the front elevation on York Road and a rear garage on Norton Street.

5.3 Current Open Market Valuation

An external Open Market Valuation has been undertaken and annexed at Appendix A and has been marked – **Not for Publication**.

5.4 Planning authority

- 5.4.1 The property is situated within the Castle Ward fronting York Road. The site is not listed and is not in a conservation area.
- 5.4.2 The site lies within an employment and residential area and neighbouring properties have been converted from offices to residential use.

5.4.3 The site is suitable for residential use and was supported by the ADR and external valuation.

5.5 Recommendation

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

Therefore, disposal by auction of 10 York Road, Leicester, LE1 5TS 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

The proposed sale of the site will generate a capital receipt, which will become available to support the corporate capital programme. Savings of £97k have already been declared in relation to the on-going running costs of the site, including cleaning and maintenance, through an Executive decision taken on 3rd October 2022. By selling the asset the Council will not be able to generate income from leasing the site.

Stuart McAvoy – Head of Finance

6.2 Legal implications

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, 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 & Planning)

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 **Not for Publication**

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 Paragraph 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