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# Executive Decision

The freehold disposal of Martin House –  
The Cottage,

Martin House – The Cottage,  
339 London Road,  
Leicester,  
LE2 3JX

Decision to be taken by: City Mayor

Decision to be taken on: 15 April 2025

Lead Director: Matthew Wallace

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## Useful information

- Ward(s) affected: Knighton
- Report author: Ritesh Chauhan, Senior Asset Manager
- Author contact details: [ritesh.chahan@leicester.gov.uk](mailto:ritesh.chahan@leicester.gov.uk)
- Checked by: Kathryn Ellis FIRRV, Head of Strategic Property, Estates & Building Services.
- Report version number: FINAL

### 1 Summary

- 1.1 The purpose of the report is to seek approval to proceed with the sale of the Martin House, The Cottage, 339 London Road, Leicester, LE2 3JX on a 1:1 basis.

### 2 Recommended decision

- 2.1 The City Mayor is asked to formally approve the sale of: Martin House, The Cottage, 339 London Road, Leicester, LE2 3JX on a one-to-one basis to the adjacent property owners Sant Nirankari Mandal UK, for £400,000.
- 2.2 This decision is reserved for the City Mayor because it meets the criteria of a special purchaser under of the Disposals Framework. 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.

### 3 Scrutiny

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

## 4 Background and options with supporting evidence

- 4.1 This property is a detached cottage situated within the grounds of the former Martin House Day Centre (341 London Road).
- 4.2 Martin House and adjoining land was sold to a charity known as Sant Nirankari Mandal in January 2017 for £1.03m. The Cottage, at 339 London Road was not part of this former freehold sale and was retained by Leicester City Council due to a secure residential tenancy. There is independent access and rights of way associated with The Cottage. Both 339 and 341 London Road are located within the Stoneygate Conservation Area.
- 4.3 The protected tenancy has ended, and The Cottage is vacant and approved for disposal as surplus to Council requirements.
- 4.4 The property is a two-bedroom detached cottage with three garages and a garden. It is accessed via a shared driveway with the adjacent 341 London Road (the former Martin House). The Cottage's interior is aged and requires complete renovation.
- 4.5 Due to this adjacency, Sant Nirankari Mandal have expressed an interest in acquiring The Cottage for the purposes of storage, housing for visitors, a crisis café, ladies wellbeing, youth sports and other community activities.

## 5 Detailed Report

### Background

- 5.1 Size and Location - Martin House, The Cottage 339, London Road, Leicester, LE2 3JX, Site area: 630m<sup>2</sup>, 0.16 acres, 0.06 Hectares, with Total Gross internal area of building: 88m<sup>2</sup>.

### Valuation

- 5.2 A valuation has been undertaken and annexed at **Appendix A** and has been marked – **Confidential – Not for Publication**.

### Planning Use Class

- 5.3 The site is part of a Conservation Area and primary residential area according to local plan.

### Permitted use

- 5.4 Permitted Use: will be limited to the following use classes which are subject to planning approval by the purchaser:
- C3(a) and C3(c) Dwellings for caretaker and visiting guest speakers;
  - E(b) for distribution of drinks and snacks the Crisis Café;
  - E(d) Indoor sport, recreation or fitness;

- E(g)(i) Offices to carry out any operational or administrative functions;
- F1(e) Public halls or exhibition halls;
- F1(f) Public worship or religious instruction;
- F2(b) Halls or meeting places for the principal use of the local community.

#### Overage

- 5.5 The sale will be subject to and with the benefit of all matters noted in the Council's title and as contained in a transfer dated 31 January 2017 (please see the attached sealed and dated transfer document). The buyer will be responsible for the boundary marked with 'T' on the plan.
- 5.6 An overage of 30% of any increase in market value will apply for any commercial and residential development as outlined in the transfer dated 31 January 2017. The overage shall lapse 25 years from 31 January 2017.

#### Heads of Terms

- 5.7 The sale will be subject to the final signed Heads of Terms dated 19 February 2025.

#### Recommendation

- 5.8 The property is surplus to the Council's requirements and is suitable for disposal at or above market value. The offer to purchase meets this criterion for a one-to-one sale to an interested party with an adjacency.
- 5.9 Given the disposal is on one-to-one basis, the Council has an obligation to achieve at or above best financial consideration under S123 of the Local Government Act 1972. Hence, both internal and external valuations have been undertaken. These are contained within the confidential Appendix A and support a sale for the price set out in this report.
- 5.10 This decision is reserved for the City Mayor because it meets the criteria of a special purchaser sale under the Disposals Framework. The sale of land is not a criterion to qualify as a key decision.

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

### 6.1 Financial implications

The budget for 2025/26 sets out the ambition to secure capital receipts of £60m from the sale of land and property. This could be used to offset planned borrowing, finance capital expenditure or, with the permission of the Secretary of State, directly finance revenue expenditure. This report proposes the sale of the residential property at 339 London Road, which is held within the Council's General Fund. The freehold sale of the asset would provide £0.4m towards this objective.

The retention of the property would necessitate significant capital investment to facilitate re-letting, costs which can be avoided through this sale.

Signed: Stuart McAvoy (Head of Finance)

Dated: 02/04/2025

### 6.2 Legal implications

1. The Council has a legal obligation to dispose of land at the best consideration reasonably obtainable in accordance with s.123 of the Local Government Act 1972 (as amended). Open marketing is acknowledged to achieve best consideration. A disposal includes either a freehold sale or lease for a term of more than 7 years.

2. The intention to dispose of the property on the basis of a one to one transaction without open marketing requires compliance with the Disposals Framework forming part of the Council's Constitution. The Executive will need to be satisfied that the disposal accords with the relevant provisions of the Framework relating to exemptions for 1-1 disposals.

3. Although the disposal appears to be for the best consideration, 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.

4. Without an open market exercise, officers cannot be absolutely certain that best consideration has been achieved. (Without open marketing there is the potential risk that a higher value could have been achieved through exposure to the market.)

5. It is understood from EBS that the property was acquired for education purposes and is held within the education portfolio, but has not been used for education-related purposes for more than 8 years and has been vacant for some time. Secretary of State consent would therefore not be required for the disposal.

Signed: Zoe Iliffe, Principal Lawyer (Property, Highways & Planning)

Dated: 02/04/2025

### 6.3 Equalities implications

When making decisions, the Council must comply with the Public Sector Equality Duty (PSED) (Equality Act 2010) by paying due regard, when carrying out their functions, to the need to eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act, to advance equality of opportunity and foster good relations between people who share a 'protected characteristic' and those who do not.

In doing so, the council must consider the possible impact on those who are likely to be affected by the recommendation and their protected characteristics.

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 report seeks approval approve the sale of: Martin House, The Cottage, 339 London Road, Leicester, LE2 3JX on a 1:1 basis to the adjoining property Sant Nirankari Mandal UK.

There are no direct equality implications arising from the report. Bringing back into use a vacant and unused site that may offer community run facilities can be responsive to local need and can play a greater role in bringing together and furthering the social wellbeing or the social interests of the local community. It is important to ensure that all communications about processes going forward are accessible.

Signed: Surinder Singh (Equalities Officer)

Dated: 28/03/2025

### 6.4 Climate implications

There are no climate emergency implications arising from this report.

Signed: Duncan Bell, Change Manager (Climate Emergency). Ext. 37 2249

Dated: 27/03/2025

### 6.5 Housing Implications

Due to the site constraints (conservation area, landscape and immediate proximity to place of worship), condition of the existing building fabric and restricted opportunity to develop at scale, Housing Development would not consider the cottage of Martin House to be viable for conversion to affordable housing.

Signed: Rob Grewcock (Programme Manager – Affordable Housing)

Dated: 27/03/2025

### 6.6 Other implications

**None**

**7. Background information and other papers:**

N/A

**8. Summary of appendices:**

**Appendix A** – Financial Appraisal and Valuation Report **Confidential – Not for Publication**

**Appendix B** – Site Plan (Number 2024/11)

**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

## Appendix B – Site Plan (Number 2024/11)

