

Executive Decision

Disposal of 344 Harrison Road
Leicester
LE4 7AB

Decision to be taken by: City Mayor

Decision to be taken on: 11 March 2026

Lead Director: Matthew Wallace,
Director of Estates & Building Services

Useful information

- Ward(s) affected: Rushey Mead
- Report author: Carlene Williams, Senior Estates Valuation Surveyor
- Author contact details: Carlene.Williams@leicester.gov.uk
- Checked by: Kathryn Ellis FIRRV, Head of Strategic Property, Estates & Building Services.
- Report version number: FINAL

1 Purpose

- 1.1 The purpose of this report is to seek the City Mayor's approval to proceed with the disposal of 344 Harrison Road, Leicester, LE4 7AB on a one-to-one basis to the neighbouring freeholder AKR Holdings Ltd., of 336a Harrison Road, Leicester LE4 7AB for £132,500 as a 'Special Purchaser' (as defined in the Council's Constitution).
- 1.2 This decision is reserved for the City Mayor because the disposal is a one-to-one sale and all transactions that have not been openly marketed require an Executive Decision because they may not be at best consideration. The sale of this property asset is not a criterion to qualify as a Key Decision.
- 1.3 The Director of Estates and Building Services has approved the valuation of the property, supported by two external RICS Red Book valuations.

2 Recommended decision

- 2.1 The City Mayor is asked to:
 - a) formally approve the disposal of 344 Harrison Road, Leicester, LE4 7AB on a one-to-one basis to the current neighbouring freeholder of 336a Harrison Road, Leicester, LE4 7AB for £132,500 with a covenant for the new owner to mandate a refurbishment of the subject property into habitable residential use, along with an overage clause should the property be incorporated into a larger residential scheme (noting current adjacent ownership is with the purchaser)
 - b) approve the addition of £132,500 to the HRA capital programme for dwelling acquisitions, financed by the capital receipt.
- 2.2 It is noted that the City Barrister and Head of Standards Division, will prepare and execute all necessary documentation required. The Director of Estates and Building Services Division has agreed the required detailed terms and approved the valuation of the property supported by two external RICS Red Book valuations.
- 2.3 The internal and external valuations indicate that best consideration is being achieved, notwithstanding no open marketing.

3 Scrutiny

- 3.1 344 Harrison Road, Leicester, LE4 7AB is an asset held in the Council's Housing Revenue Account (HRA) portfolio and is currently vacant.
- 3.2 The Director of Housing has briefed the Lead Member for Housing on the proposed disposal.
- 3.3 Scrutiny and stakeholder engagement has been conducted in line with this Executive Decision report.

4 Background and Options

- 4.1 Leicester City Council owns the freehold of the property known as 344 Harrison Road, Leicester, LE4 7AB. The 0.021 acre/89 sqm site has a total gross internal area of 74 sqm. The property is a traditional, Victorian two-bedroom mid terrace house. The property is suffering from significant structural movement and requires extensive renovation and refurbishment with a party wall owned by the purchaser. The significant cost of refurbishment to bring the house up to habitable and lettable standard, outweighs the retention value, therefore, the Council are proposing to sell the property to the neighbouring owner with strict covenants to protect against extensive development.
- 4.2 The subject property has been vacant for several years and continues to deteriorate. Without extensive refurbishment (including structural remediation), is not suitable for re-letting by the HRA. The HRA wherever possible seeks to acquire property which is standardised across the portfolio or presents opportunity for standardisation of layout to support efficiencies for HRA trade operative. Additionally, the property is of solid brick construction and therefore has no cavity and would therefore require a bespoke internal/external insulation approach to improve its thermal rating.
- 4.3 The property was acquired in 1977 under CPO powers under the Highways Act 1959 as part of the Eastern Relief Road Stage 3. The property was subsequently transferred to the County Council who then transferred it to the City Council on 31 October 1977 under the Housing Act 1957 for Housing Accommodation purposes.
- 4.4 The subject property is located next to a site 336a Harrison Road, Leicester, LE4 7AB which has suffered a fire and is also in a state of disrepair. The owner of this property has offered to purchase the subject property on a one-to-one basis at above market value, on the condition that it is brought back into habitable use within 24 months and will have a buy back clause to bind the purchaser to this requirement.
- 4.5 The property is not a viable option for Housing to refurbish and undertake the necessary combined structural works with the adjacent. This is due to the significant structural movement of the two-storey rear projection which requires demolition and rebuilding. There are additional construction works, and internal refurbishment required in order for the property to be brought up to a habitable and lettable condition. By disposing of the property, the HRA can reinvest the capital in a property which is considered more suitable for housing's requirements.

- 4.6 The terrace location with narrow side entry access presents constraints for any future purchaser being able to undertake the extensive remediation required to the rear elevation.
- 4.7 The adjacent freeholder meets the 'Special Purchaser' designation as outlined in 5.2.4 of Schedule 2 within the Council's Constitution within the Land Transaction Rules. This means a direct one-to-one disposal is allowable under the Council's Constitution with a party with a vested interest in the site at or above market value. The purchaser is offering to purchase the property at above the two external RICS Red Book valuations. The purchaser is proposing to improve the adjacent property which will provide additional housing for the City of Leicester.

Valuation

- 4.8 The valuations annexed at **Appendix A marked – Not for Publication** show that, if the disposal is approved, the Council will satisfy the Council's obligation to achieve best financial consideration of the market value of the asset under S.123 of the Local Government Act 1972.

Proposed use

- 4.9 344 Harrison Road is located in the Rushey Mead district of Leicester. The property is situated in a predominately residential urban area with a mix of terrace and semi-detached properties, with commercial premises in close proximity.
- 4.10 Acquisition of the property will enable the freeholder of the adjacent premises to bring both properties into habitable residential use.

Options considered

Disposal on the open market via auction was discounted in favour of the above market value offer in light of the poor condition of the property and party wall implications.

Therefore, the recommended option is to dispose of the property to the adjacent freeholder and reinvest the capital receipt in more suitable HRA stock.

5 Financial, legal, equalities, climate emergency and other implications

5.1 Financial implications

This report proposes the freehold sale of 344 Harrison Road, which would generate a capital receipt of £132,500 plus overage (if applicable). The asset is held within the Housing Revenue Account, and the proceeds from the sale can only be used for one of the following:

- (a) repayment of housing debt;
- (b) affordable/replacement housing; or
- (c) regeneration projects (either in the General Fund or HRA).

Since the HRA is losing a dwelling (albeit one which is currently uninhabitable), there is logic in using the capital receipt towards the purchase of a replacement property. This would need to be matched with existing borrowing within the HRA capital programme.

Signed: Stuart McAvoy, Head of Finance

Dated: 2 February 2026

5.2 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.
2. A disposal includes either a freehold sale or lease for a term of more than 7 years. A disposal of property on the basis of a one to one transaction without open marketing must be in accordance with the Disposal Policy 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 (special purchaser) disposals.
3. 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. It does however appear that the valuations support best consideration being achieved.
4. 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.
5. Property held within the HRA may be disposed of in accordance with the Housing Act 1985 when it is no longer required for operational purposes. Where the proposed sale will be for housing purposes, SOS consent is not required however appropriate covenants to ensure that the property is only used for residential purposes will be required within the sale, otherwise SOS consent would first need to be sought for the disposal.

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

Dated: 28 January 2026

5.3 Equalities implications

When making decisions, the Council must comply with the Public Sector Equality Duty (PSED) contained within the 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 purpose of the report is to seek the City Mayor's approval to proceed with the disposal of 344 Harrison Road. There are no direct equality implications arising from the report. It is important to ensure that all communications about processes going forward are accessible.

Signed: Equalities Officer, Surinder Singh, Ext 37 4148

Dated: 27 January 2026

5.4 Climate implications

Buildings are one of the largest sources of carbon emissions in Leicester. Following the City Council's declaration of a Climate Emergency and an aim to achieve net zero, 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. Any redevelopment of the building following its sale should be compliant with local planning policy and building regulations in respect of energy efficiency.

Signed: Phil Ball, Sustainability Officer, Ext 37 2246

Dated: 26 January 2026

5.5 Housing Implications

The property is currently within HRA ownership but due to the significant refurbishment work and party wall obligations required to bring the property up to a habitable and lettable condition Housing are selling the property to the neighbouring freeholder.

Signed: Rob Grewcock (Programme Manager – Affordable Housing)

Dated: 26 January 2026

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

9. Is this a private report

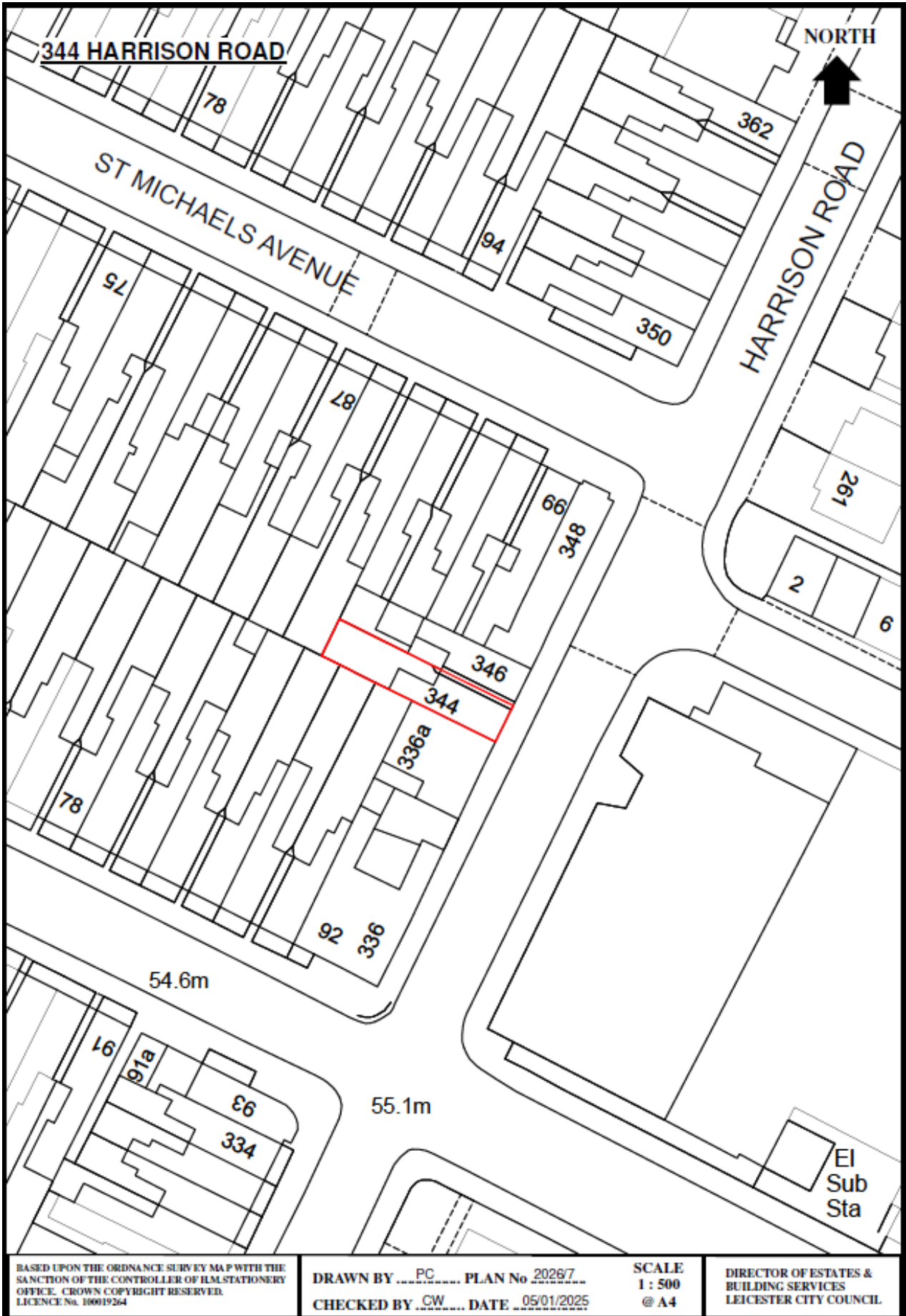
The general covering report is not confidential, but the specific valuations and financial details regarding the asset in Appendix A is considered exempt from publication. This is exempt information as defined in Paragraph 3 of Schedule 12A of the Local Government Act 1972, as amended.

Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information). Appendix A is therefore marked "Not for Publication".

10. Is this a "key decision"?

No

Appendix B – Site Plan



BASED UPON THE ORDNANCE SURVEY MAP WITH THE SANCTION OF THE CONTROLLER OF H.M. STATIONERY OFFICE. CROWN COPYRIGHT RESERVED. LICENCE No. 100019264

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DIRECTOR OF ESTATES & BUILDING SERVICES
LEICESTER CITY COUNCIL