

**REPORT TITLE: Surplus Property Disposals – December 2025**

<b>Cabinet date</b>	2 <sup>nd</sup> December 2025
<b>Cabinet Member</b>	Cllr Graham Turner (Finance & Regeneration)
<b>Key Decision Eligible for Call In</b>	Yes – KDN published 21 <sup>st</sup> October 2025 Yes
<b>Purpose of Report</b>	
<p>The purpose of this report is to seek approval and delegated authority from Cabinet for bringing forward the proposed Capital Receipts Schedule December 2025 as shown at <b>Appendix A</b>, delivering a targeted level of capital receipts in alignment with the Council's approved budget and Capital Strategy.</p>	
<b>Recommendations</b>	
<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> <li>i. Approves the disposal of the land and property within the Capital Receipts Schedule December 2025 (Appendix A) to support the Council's income targets subject to consultation with the Portfolio Holder for Finance and Regeneration.</li> <li>ii. Delegates authority to the Executive Director for Place to negotiate and agree terms and complete the sales of any land and property identified within the Capital Receipts Schedule December 2025 <b>Appendix A</b> to support the Council's income targets, in line with the legal requirements outlined in paragraph 3.7.1 and on such terms as officers deem most appropriate.</li> <li>iii. Delegates authority to the Service Director – Legal, Governance and Commissioning authority to enter into all agreements necessary to affect any of the disposals approved by this report.</li> </ol>	
<b>Reasons for Recommendations</b>	
<ul style="list-style-type: none"> <li>• To support the Council's requirement for capital receipts as part of its budget strategy, to help reduce its long-term revenue commitments and to support wider regeneration of the area through the disposal of surplus buildings and land.</li> </ul>	
<b>Resource Implications:</b>	
<u>Capital Receipts Schedule – December 2025</u>	
<p>The Council has a capital receipts target of £6M in Financial Year 2025/6 and £4M in 2026/7. A pipeline of sites is required for disposal either at auction, private treaty or through freehold reversion based on previous cabinet reports and the scheme of delegations. Whilst there are some assets declared surplus in previous Cabinet reports that we have still to dispose of, by identifying these additional assets as surplus, it will provide further opportunities to support</p>	

the Capital Plan through capital receipts either in 2026/27 or future years for which further targets of £4M have been set. This will also reduce the Council's revenue costs of ownership.

**Signed off by:**

- **Lead Executive Director**
- **Service Director for Finance**
- **Service Director for Legal and Commissioning**

David Shepherd – Executive Director for Place – 11/11/2025

Kevin Mulvaney – Service Director Finance – 12/11/2025

Samantha Lawton – Service Director Legal & Commissioning – 19/11/2025

**Electoral wards affected:**

Supplementary Capital Receipts Schedule (**Appendix A**)

Ashbrow, Batley East, Cleckheaton, Dewsbury West, Greenhead, Holme Valley South, Liversedge & Gomersal and Newsome.

**Ward councillors consulted:** Yes

**Public or private:** Public

**Has GDPR been considered?** Yes – no personal information is presented within this report.

**1. Executive Summary**

1.1 This report, in alignment with and in response to the Council's approved budget and Capital Strategy, presents a proposed Capital Receipts Schedule December 2025 (CRS) to be brought forward for delivery as detailed in **Appendix A**.

**2. Information required to take a decision**

**Capital Receipts Schedule December 2025**

- 2.1 As part of the Council's approved budget, the Capital Strategy presents a £6m minimum 2025/26 in-year target for capital receipts – which is money received from the sale of property assets (land and buildings). Further targets of £4m have been set for 2026/27, 2027/28, 2028/29 & 2029/30.
- 2.2 Since the last Surplus Property reports in July 2025, progress has been made to dispose of the assets declared surplus through a series of auctions, private treaty, and Freehold Reversion sales. We are currently on track to reach the £6m target for 2025/6 however, further surplus assets need identifying to feed the pipeline for future years.
- 2.3 A further review of the estate has identified another batch of surplus property, which is property no longer required to support the Council's strategic or organisational delivery requirements. It is government guidance that local authorities should dispose of surplus property wherever possible.
- 2.4 The property interests identified for disposal have been assembled to form a Capital Receipts Schedule December 2025 in addition to that approved by Cabinet in January and July 2025, which is presented as **Appendix A** for consideration.
- 2.5 The property interests identified in Appendix A each require further evaluation to determine the appropriate legal process, market value, mode of disposal, and possible timings, to allow a forward delivery programme to be developed and accelerated to achieve the in-year target. Further investigation and consideration of these assets during their

passage to market may result in them no longer being considered surplus and therefore not being disposed of.

- 2.6 Assurance and progress is monitored, with risks and issues managed by an established Assets Disposal Board. Progress will continue to be reported into leadership and strategic groups with the Portfolio-holder regularly updated.
- 2.7 Over the course of the disposals programme, we have developed a focussed approach in collaboration with other services, particularly legal colleagues, that has proven successful in delivering the capital receipts we are targeting. Continuing to identify surplus assets at an early stage will enable the service to start work on their disposal well in advance of proposed auction dates or private treaty sales meaning we can work through the barriers to sale or consider how we can enhance the values. The delivery of the CRS December list will continue to use this proactive and planned approach, with clear lines of communication, management of risks and issues, and assurance/progress monitoring.
- 2.8 As sites are evaluated, key strategic partners will be consulted as appropriate, thereby dealing with any initial first refusal and/or private treaty opportunities.

### **Commentary upon the Capital Receipts Schedule – December 2025 sites**

#### **Land at Mill Lane, Hanging Heaton, Batley**

- 2.9 The land at Mill Lane, Hanging Heaton formerly known as Hanging Heaton Community Centre is potentially a complex disposal as it includes part Council and part Charitable land. Our intention to dispose of the Charitable land will need to be reported to and approved by the corporate trustee before we proceed to sale. Agreement will also need to be reached regarding how we split the proceeds of sale between the Council and Charity – pro-rata based on the square-metage being the most likely approach.

#### **Batley Baths, Batley**

- 2.10 Batley Baths and Recreation Centre was closed in 2023 due to the emerging financial position of Kirklees Active Leisure. The Leisure Centre Offer for 2024/5 was approved by Cabinet in December 2023. Batley Baths was not included in this provision and there is no intention to reopen it. Batley Baths is therefore surplus to the Councils requirements.
- 2.11 A petition to reopen Batley Baths was made to the Council in July 2024. A decision was taken to explore the potential for a Community Asset Transfer (CAT) of the asset. Expressions of interest were received from two organisations. Both were invited to progress to the next stage of the CAT process and provided with support to develop a full application and business plan. Given the complexity of the asset and significant investment needed both applicants subsequently withdrew from the process.
- 2.12 No revenue budget associated with delivering services from this building has been identified and it will therefore add to the financial pressures the Council is facing. The site has been in a mothballed state for over 18 months with a decision made to drain down the pool for safety reasons. The site is now moving into a state of disrepair.
- 2.13 In January 2024, a condition report put the maintenance backlog at £1.487m over a 10-year period – no current allocation is made in the Capital Plan. The revenue costs of the mothballed building are estimated at £76,000; there is currently no budget to cover these ongoing costs.

## **Land at junction of Lockwood Road and St. Stephens Road, Lockwood, Huddersfield**

2.14 This site is being declared surplus with a view to disposal. Newsome Ward councillors have, however, expressed an interest in retaining the site for use as a community garden. It has therefore been agreed that councillors will be given until 1<sup>st</sup> July 2026 to identify a suitable group and bring forward proposals for the future use and management of the land for consideration, with no guarantees that any proposal will be implemented.

## **Red Laithes Court and Havelock Street, Ravensthorpe**

2.15 The December 2025 surplus assets list also includes Red Laithes Court and Havelock Street, Ravensthorpe. The Council is investing £3.8m in the refurbishment and remodelling of Milldale and Crescent Dale Adults' Day Care facilities in Heckmondwike to ensure that they are modern, fit for purpose buildings. This will enable Adult Services to review its in-house and commissioning models, consolidate day care services in North Kirklees onto one site and withdraw from the existing sites at Ravensthorpe Social and Education Centre and Red Laithes Court, both of which would need very significant investment in order to provide modern, fit for purpose facilities.

2.16 Whilst demographic growth, increasing demand and higher complexity of service users are driving significant pressures into Adult Social Care – the in-house service offer is proposed to be reviewed in line with the wider commissioning work to stimulate the market.

2.17 Red Laithes is a Local Development Plan confirmed housing site – possibly for low-cost affordable housing. This will attract early income growth through Council Tax. It is anticipated that up to 20 units could be developed on this site.

2.18 Havelock Street, Ravensthorpe could be sold for commercial development in line with the Local Plan. A previous plan to develop a new build facility on this site has been withdrawn to ease future operational revenue pressures and to ease the need for a significant capital allocation. The Service has been reduced through service redesigns to meet budget savings over recent years.

2.19 The proposal from Adults Services is to consolidate all North Kirklees day services on the Milldale / Crescent Dale site, negate the need to build a new facility on Havelock Street, Ravensthorpe and to enable the withdrawal of the Service from the existing sites at Red Laithes Court and Ravensthorpe SEC, which have significant backlog maintenance issues and are increasingly unsuitable for the client users. The revenue saving once both Red Laithes and Havelock Street are disposed of will be approximately £104,400 per annum.

2.20 The CRS for December 2025 includes a further seven assets. These have all been assessed as having no operational or strategic value to the Council and can be considered as surplus to requirements.

## **3. Implications for the Council**

### **3.1 Working with people**

The agreed continued approach to reviewing the Council's Estate requires Council Services to work closely together and proactively to communicate and deliver agreed outcomes. The disposal of the land will potentially provide the opportunity for local small-scale development and support the local labour market.

### **3.2 Working with partners**

As part of the process for bringing forward disposals, key partners will be made aware to help identify any collaborative opportunities.

### **3.3 Place Based Working**

Changes to property can often highlight wider opportunities and be a catalyst for development, which in turn can make our places more attractive and vibrant.

### **3.4 Climate Change and Air Quality**

Rationalising and optimising property assets will deliver a smaller, more efficient, and effective estate, contributing to the reduction of the Council's carbon footprint and commitment towards net zero.

### **3.5 Improving outcomes for children**

None

### **3.6 Financial Implications**

The generation of capital receipts supports the Council's Capital Strategy and more specifically the delivery of the Capital Programme (and, where appropriate, the transformation of services through the Flexible Capital Receipts Policy), safeguarding service delivery into the future. Capital receipts also support the revenue budget as 4% of the receipt is top sliced to fund staff costs involved in the disposals process.

Releasing assets for disposal will, equally, contribute to the savings required in the Council's Revenue Budget by reducing the cost of holding assets. When Batley Baths and Recreation Centre are handed back to the Council by Kirklees Active Leisure, the revenue cost would be £76,000. Once disposed, the saving on Red Laithes Court/Havelock Street would be £104,400.

### **3.7 Legal Implications**

3.7.1 The disposal of property assets will need to be in accordance with the relevant statutory framework which applies to the particular asset. The Council has the legal power to dispose of assets generally under section 123 of the Local Government Act 1972 usually for the best consideration that can be obtained. Where it is proposed that an asset is disposed of at an undervalue, the General Disposal Consent 2003 (contained within circular 06/93) and the Subsidy Control Act 2022 (and associated regulations) must be assessed, and, where applicable, complied with. Housing assets may only be disposed of in accordance with The General Housing Consents 2013 issued pursuant to section 32 of the Housing Act 1985.

3.7.2 Alongside the Localism Act 2011, which may highlight certain sites for potential listing as an Asset of Community Value (ACV), the Council's approach to Community Asset Transfers (CAT) will also need to be considered. Both disposal routes require additional lead-in and determination time and need to be highlighted as a significant risk should applicable sites be targeted for disposal within year, or within a specific time limit.

### **3.8 Other Issues**

An Integrated Impact Assessment has been carried out as part of the Council Budget setting process and is published on the Council's website. Individual assessments may need to be considered for individual property solutions and should be undertaken as part of bringing each forward for delivery alongside appropriate consultation and communication.

## **4. Consultation**

- 4.1 Consultation took place with all Ward Members impacted by the proposed disposals in **Appendix A** (see list of wards affected at the start of this report) between 27th October 2025 and 10th November 2025 inclusive.
- 4.2 A comment was received regarding the Land at junction of Lockwood Road and St. Stephens Road. Councillor Cooper queried its inclusion in the report given the prior agreement to seek a community group to potentially manage the land. Reassurance was provided that declaring the land surplus now would not prejudice a future expression of interest from a community group.
- 4.3 This report has been subject to consultation with the Council's Executive Leadership Team (28<sup>th</sup> October 2025), Executive Board (17<sup>th</sup> November 2025) and the Portfolio Holder for Finance and Regeneration (21<sup>st</sup> October 2025) and their comments have informed the contents of this report.

## 5. Engagement

- 5.1 The Portfolio Holder for Finance & Regeneration confirmed that the assets in the CRS December 2025 as listed at **Appendix A** are considered surplus to operational requirements.

## 6. Options Considered

### Option A – Do not declare any more assets surplus to requirements.

- 6.1 The Council's Capital receipts target for 2025/26 is £6m, with a further £4m to be raised in 2026/27, 2027/28, 2028/29 & 2029/30. A pipeline is in place consisting of assets that have already been declared surplus.
- 6.2 However, the pipeline of surplus assets needs constant attention to ensure targets for future years can be met. This is particularly important as we increasingly consider more complex disposals, disposals which are less attractive to the market or which present greater risks to the buyer. Some may fail to sell, or the estimated values revised downwards. The assets in the Capital Receipts Schedule December 2025 will be used to cover the shortfall and form the pipeline for future years.
- 6.3 In the case of Batley Baths, not declaring surplus will result in the holding costs being transferred to the Council from April 2026. This will add to the Council's revenue budget deficit and confer further repairing liabilities and maintenance backlogs.

### Option B – Declare the new list of assets on the CRS December 2025 attached at **Appendix A** surplus to the Council's requirements

- 6.3 By declaring the list of assets at **Appendix A** as surplus and approving them for disposal the Council will have more flexibility and alternative options for disposal in the event that properties do not sell, or do not make the predicted estimates. This reduces the risk of the annual capital receipt targets outlined above not being met.

- 6.4 A future disposal will reduce the revenue and capital liabilities associated with holding assets.

## 7. Reasons for Recommended Options

The officer recommendation in relation to the proposed Capital Receipts Schedule December 2025 at **Appendix A** is that Option B should be pursued. The reasons for this are as follows:

- Declaring these assets as surplus will improve our ability to deliver future capital receipts either during 2025/26, or in future years when the targets remain challenging. The income from capital receipts plays an important role in supporting the Council's Capital Plan, reducing borrowing, investing in projects, and supporting the Council's financial reserves;
- The supply of small sites and surplus buildings provides an opportunity for developers to invest, create jobs and business growth for the Kirklees Economy;
- The supply of small sites also provides the opportunity for future owners to help fulfil the Council's ambitions of housing growth and/or community use.
- Disposing of surplus assets reduces the Council's maintenance liabilities, thereby easing revenue and capital financial cost pressures.

On this basis, Cabinet is asked to:

- a) Consider and approve the list of assets identified in **Appendix A** as being surplus to requirements, with their disposal being managed as business as usual in line with the contents of this report;
- b) Support the immediate need to limit ongoing revenue liabilities and to meet the requirement for capital receipts by:
  - i. Approving the disposal of the land and property within the Capital Receipts Schedule December 2025 (Appendix A) to support the Council's income targets subject to consultation with the Portfolio Holder for Finance and Regeneration.
  - ii. Delegating authority to the Executive Director for Place to negotiate and agree terms and complete the sales of any land and property identified within the Capital Receipts Schedule December 2025 **Appendix A** to support the Council's income targets, in line with the legal requirements outlined in paragraph 3.7.1 and on such terms as officers deem most appropriate.
  - iii. Delegating authority to the Service Director – Legal, Governance and Commissioning authority to enter into all agreements necessary to affect any of the disposals approved by this report.

## 8. Next Steps and Timelines

- 8.1 Following this report, and subject to approval, we will proceed with moving the approved surplus assets towards disposal.

## 9. Contact Officer

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David Martin – Head of Property – [david.martin@kirklees.gov.uk](mailto:david.martin@kirklees.gov.uk)

**10. Background Papers and History of Decisions**

- i. [Surplus Property Disposals 2023/24](#)
- ii. [Asset Review November 2023](#)
- iii. [Surplus Property Disposals January 2025](#)
- iv. [Surplus Property Disposals 2025/26](#)

**11. Appendices**

A. Capital Receipts Schedule (CRS) December 2025

- 12. Service Director Responsible** Joanne Bartholomew: Service Director – Development – [Joanne.Bartholomew@Kirklees.gov.uk](mailto:Joanne.Bartholomew@Kirklees.gov.uk)