

Minutes of: CABINET

Date of Meeting: 22 March 2022

Present: Councillor E O'Brien (in the Chair)
Councillors C Cummins, A Quinn, T Rafiq, A Simpson and
T Tariq

Also in attendance: Councillor P Cropper

Public Attendance: No members of the public were present at the meeting.

Apologies for Absence: Councillor R Gold, Councillor C Morris, Councillor N Jones and Councillor M Powell

CA.248 APOLOGIES FOR ABSENCE

Apologies were received from Councillor Gold, Councillor Morris, Councillor Powell and Councillor Jones, who had sent Councillor Cropper as a substitute.

CA.249 DECLARATIONS OF INTEREST

There were no declarations of interest.

CA.250 PUBLIC QUESTION TIME

There were no public questions.

CA.251 MEMBER QUESTION TIME

There were no Member questions.

CA.252 APPROVAL OF TOWN CENTRE REGENERATION JV WITH BRUNTWOOD AND ACQUISITION OF THE MILL GATE ESTATE - PART A

Councillor Eamonn O'Brien, the Leader of the Council and Cabinet Member for Finance and Growth, presented the report which set out the detail for the proposed acquisition and development of the Mill Gate estate as part of the regeneration of Bury town centre. The full legal and financial details were contained in a Part B report and a number of Part B appendices.

Councillor O'Brien advised that this report followed on from a previous report to Cabinet in November 2021, and that this report and the accompanying Part B papers, set out the specialist advice the Council has received on the terms of the acquisition, the joint venture, and the results of due diligence on the asset and proposed commercial arrangements. Councillor O'Brien thanked the officers for their work in putting together this detailed report and commended the cross-party support for the deal.

Decision:

Cabinet:

1. Approved entering the joint venture vehicle with Bruntwood in accordance with the commercial terms included within Part B of this report;
2. Approved the acquisition of the Mill Gate estate in accordance with the commercial terms included within Part B of this report;
3. Approved the funding arrangements for the acquisition in accordance with the terms set out in Part B of this report;
4. Delegated any further approvals relating to additional due diligence work to the Chief Executive in consultation with the Monitoring Officer and Section 151 Officer; and
5. Instructed the Monitoring Officer to enter into and complete all necessary documents to give effect to the acquisition and the delivery of this proposal through the joint venture partnership.

Reasons for the decision:

- To create a delivery vehicle that is funded through commercial rental receipts, to develop the Mill Gate estate and unlock new opportunities for employment, leisure, serviced offices, food and beverage outlets and hundreds of new affordable homes whilst positively contributing to efforts to support the economic resilience of the town centre. The Mill Gate estate developments will also create enhanced public realm areas.
- To avoid the shopping centre being acquired by an 'income-investor' who would potentially extract surpluses from the centre for short term gain rather than re-investing in the estate. To secure its long-term future, thus necessitating public sector intervention further down the line at potentially great cost. In many locations Local Authorities end-up under enormous pressure to intervene when a facility is being mis-managed, and often this will require a premium above market value to be paid and a series of rectification works following potentially many years of neglect.
- Bury Town Centre Masterplan identifies further development opportunities to the south of Angouleme Way as well as other areas of Bury East ward. The acquisition of the Mill Gate estate will also facilitate physical reconnection and attract investment that will have a positive impact on the surrounding communities.

Other options considered and rejected:

- Council to not act and leave the matter to market forces. This option was rejected because if the shopping centre were to be purchased by a third party, they may not be motivated to reinvest income to maintain the centre to a high standard. This may contribute to the condition of the centre declining, thus resulting in a further detrimental effect on the wider town centre.
- Working with the vendor was originally an option, assisting in their search for a development or investment partner. However, this was discounted as an option as the vendors desired disposal timeframe.
- Council to purchase the Millgate estate for strategic development without a partner. This was discounted as the Council does not have sufficient inhouse capacity or expertise to deliver on this scale and level of ambition.

CA.253 EXCLUSION OF PRESS AND PUBLIC

Decision:

That the press and public be excluded from the meeting under Section 100 (A)(4), Schedule 12(A) of the Local Government Act 1972, for the reason that the following business involves the disclosure of exempt information as detailed against the item.

CA.254 APPROVAL OF TOWN CENTRE REGENERATION JV WITH BRUNTWOOD AND ACQUISITION OF THE MILL GATE ESTATE - PART B

Councillor Eamonn O'Brien, the Leader of the Council and Cabinet Member for Finance and Growth, presented the Part B report and appendices which set out the full financial and legal details for the proposed acquisition and development of the Mill Gate estate.

Decision:

Cabinet:

1. Approved entering the joint venture vehicle with Bruntwood in accordance with the commercial terms included within Part B of this report;
2. Approved the acquisition of the Mill Gate estate in accordance with the commercial terms included within Part B of this report;
3. Approved the funding arrangements for the acquisition in accordance with the terms set out in Part B of this report;
4. Delegated any further approvals relating to additional due diligence work to the Chief Executive in consultation with the Monitoring Officer and Section 151 Officer;
5. Instructed the Monitoring Officer to enter into and complete all necessary documents to give effect to the acquisition and the delivery of this proposal through the joint venture partnership;
6. Noted the detail around the head lease;
7. Delegated authority to the Director of Regeneration to undertake an independent valuation; and
8. Noted that a further report in respect of the head lease will come to Cabinet.

Reasons for the decision:

- To create a delivery vehicle that is funded through commercial rental receipts, to develop the Mill Gate estate and unlock new opportunities for employment, leisure, serviced offices, food and beverage outlets and hundreds of new affordable homes whilst positively contributing to efforts to support the economic resilience of the town centre. The Mill Gate estate developments will also create enhanced public realm areas.
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COUNCILLOR E O'BRIEN
Chair

(Note: The meeting started at 6.00 pm and ended at 6.15 pm)