



Classification	Item No.
Open	

Meeting:	Cabinet
Meeting date:	20 January 2021
Title of report:	DISPOSAL OF SUMMERSEAT HOUSE, SUMMERSEAT LANE, SUMMERSEAT
Report by:	Cabinet Member – Leader and Cabinet Member for Finance and Growth Director - Paul Lakin, Director of Regeneration & Capital Growth
Decision Type:	Key Decision
Ward(s) to which report relates	North Manor

Executive Summary:

Delegated authority is sought to dispose of Summerseat House, a vacant former Pupil Learning Centre located in Summerseat. The property comprising a Grade II listed former house with associated buildings and grounds would be sold on the open market utilising the services of a property marketing agent / consultant in order to achieve best value and secure the future use of the property.

The property is vacant and its condition is rapidly deteriorating due to a lack of funds for repair and maintenance plus several break-ins, thefts and acts of vandalism.

The sale of the property would:

Remove the risks to the Council associated with holding a vacant asset.

Produce a capital receipt for the Council.

Provide ongoing Council Tax and / or Business Rate revenue.

Alleviate the substantial ongoing costs of holding the property.

Enable the conversion/redevelopment of the property and its future use.

Recommendation(s)

That:

- Summerseat House is offered for sale.
- The Council's Property and Asset Management section procure a property marketing agent / consultant to assist in the disposal of Summerseat House. The appointment of an agent will expose the property to a wide range of potential purchasers and the agent can provide advice and recommendations with regard to potential purchasers.
- Delegated authority is given to the Director of Economic Regeneration and Capital Growth in consultation with the Cabinet Member for Finance and Growth to consider and accept / decline competitive bids for the property from potential purchasers and then to instruct the Council Solicitor with regard to an acceptable bid.

Key considerations

Background

Summerseat House is a property comprising a Grade II listed building together with non-listed connected buildings and a separate single storey building set in mature grounds with woodlands covering an area of approximately 2.9 hectares / 7.2 acres. A plan of the property, shown edged red, is attached at the end of this report.

The property is located within the Summerseat Conservation Area and also sits within the Green Belt.

The property was previously used by the Council as a Pupil Learning Centre but has been vacant for some time and is surplus to the Council's operational requirements. Consent to dispose of the property has been granted by the Secretary of State for Education.

The buildings on site are in a rapidly deteriorating state and are subject to ongoing acts of vandalism and theft. Incidents have included lead theft from the roof of the main building, break-ins by people looking to steal from the buildings and also commit acts of vandalism. Numerous windows in the properties have also been broken. Although repairs have been undertaken, the buildings have suffered considerable external and internal damage which would require significant expenditure to rectify.

Holding costs, including repairs and security measures, incurred to date currently amount to £142,000.

Planning

Summerseat House is a Grade II Listed Building and the property is located within the Summerseat Conservation Area. Consequently, the Council's Planning team would seek to ensure that any development proposals respect the setting of the Listed Building and respect the character of the Conservation Area.

The property also sits within the Green Belt and therefore Green Belt policies will apply. The conversion and re use of the buildings would be appropriate in principle although the scope for new buildings is limited by national policies on Green Belt.

The site is not allocated or designated for any use in the Bury Unitary Development Plan but does have an extant planning permission to re-use the site as a development and training centre. The Council's Planning department have confirmed that the use of the site for residential purposes would be acceptable in principle subject to detail and Green Belt policy.

The Council's Planning department have also commented that other uses may be appropriate, subject to detail, and their impact on the openness of the Green Belt, such as a hotel, or small scale office use.

The marketing material provided to interested parties will include a Development-Planning Brief prepared by the Planning department to provide information and guidance on likely acceptable uses for the property.

Disposal

Given the attractive location and scale of the property, it is anticipated that if brought to the market, it would attract a significant amount of interest from the property market, potentially for a variety of uses.

A soft market testing exercise was carried out in October by the Council's Growth and Development Manager with a number of interested parties and niche developers who have a track record in heritage developments. The outcome of that exercise is that there is some market appetite for the property for a residential use. The interested parties felt the sites potential could de-risked if a Development/Planning Statement could be provided.

It is therefore being recommended that the property be brought to the market for disposal. It is likely that the property would be offered via informal tender with a closing date for the submission of bids from potential purchasers.

Tender submissions will be assessed on offer price, tenderer's proposal's including use, capacity/resource to carry out their proposed development and any conditions attached to their bid. The Director of Economic Regeneration and Capital Growth in consultation with the Cabinet Member for Finance and Growth would assess all bids and decide which should be accepted.

It is recommended that the Council's Property and Asset Management section procure a property marketing agent / consultant to assist in the disposal of Summerseat House. The appointment of an agent will facilitate the exposure of the property to a wide range of potential purchasers and the agent can provide advice and recommendations with regard to potential purchasers.

Other alternative options considered

Option 1

Redevelopment by the Council

Options for the Council to redevelop the property as a direct development have been explored by the Council's Growth and Development Manager, including developing a small affordable housing/apartment scheme. There are viability issues with such a scheme and it would be dependent upon significant gap funding to make it viable. On that basis and taking other factors into consideration Officers consider that a disposal is felt to be the best way forward.

Option 2

Retain the asset in case of future Council accommodation requirement.

This option would result in significant and ongoing holding costs being incurred together with the ongoing risks associated with holding empty properties. Significant capital expenditure would also be required in the short term to address the deterioration of the buildings located on the property.

Community impact / Contribution to the Bury 2030 Strategy

Community groups or other parties may express an interest in acquiring land assets from the Council. It should be noted that the Summerseat Village Community Group have expressed interest in the property previously but did not submit a business case for consideration which is a pre-requisite for considering premises for Community Asset Transfer.

Equality Impact and considerations:

This proposal does not adversely affect equality.

24. *Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:*

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) *eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*
 - (b) *advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*
 - (c) *foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*
25. *The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.*

Assessment of Risk:

Risk / opportunity	Mitigation
Failure to achieve a sale.	Soft market testing. Appointment of an agent to expose the property to the market.
Buyer does not develop or manage the property.	The tender document will ask bidders to state their intentions.
Proposed buyer withdraws from purchase.	This can happen however specifying a realistic and not pro-longed completion date will ensure that the property is quickly re-marketed in the event that a buyer withdraws from the purchase.

Consultation:

The representatives of the Summerseat Village Community Group have been informed that the Council has been exploring its options for the site and is now considering an option to dispose of the site on the open market with a recommendation to Cabinet.

Consultation will be an integral part of any future planning application process, if a buyer/ developer brings an application forward.

Legal Implications:

There are no legal implications arising from the report. The recommendations require a decision of Cabinet. Legal advice and support will be required in relation to the

procurement and subsequent sale. This must follow the Council’s Contract Procedure Rules.

The proposed disposal route and delegation is in accordance with Rule 16 of the Council’s Contract Procedure Rules which governs such transactions.

Financial Implications:

The Council will receive a capital receipt through the sale of the property which will contribute towards the target agreed by Council in November 2020. The sale of the property will also reduce the security and other associated costs.

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Background information:

Property Site Plan – Appendix 1

Photographs – Appendix 2 &3

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning
None used.	