

<b>Classification</b>	<b>Item No.</b>
<b>Open</b>	

<b>Meeting:</b>	Cabinet
<b>Meeting date:</b>	24 March 2021
<b>Title of report:</b>	Accelerated Land and Property Disposals Programme – Phase 1
<b>Report by:</b>	Cllr. Eamonn O’Brien (Leader) – Cabinet Member for Finance and Growth
<b>Decision Type:</b>	Key Decision
<b>Ward(s) to which report relates</b>	All wards

## Executive Summary:

The Council wishes to take active steps to rationalise its land and buildings, hereafter referred to as property assets. Many of its property assets are being seen as surplus to the requirements of the Council.

Further to the Cabinet report that approved the Council’s Accelerated Land and Property Disposals Programme on 24<sup>th</sup> November 2020, this report identifies the Phase 1 list of sites and seeks approval for the property asset disposals.

Greater Manchester Combined Authority (GMCA) is providing Brownfield Land Grant on several of the sites identified for housing development and will assist with potential disposal options.

There are 20 sites that are part of Phase 1 which are detailed in this report at Appendix A.

## Recommendation(s)

**That:**

- Approval is given for disposal of the Phase 1 property assets that are surplus to requirements.
- Acceptance that the Brownfield Land Fund will assist with disposal options for the sites identified as housing development sites.

**Key Considerations****Background**

A Cabinet report was approved on the 24<sup>th</sup> November 2020 which provided an overview on the Accelerated Land and Property Disposals programme including identifying some of the key benefits:

- Local Economy – Capital Receipts, Business Rates, Council Tax
- Creation of additional local jobs/ small business space
- Improved highway curtilage – potential use for digital marketing
- New housing
- Resources – reduction in cost base
- Reducing the Councils exposure to health and safety risks associated with holding vacant property assets
- Permanent release of revenue costs associated with holding vacant property assets

The Council has applied for Brownfield Land Grant from GMCA. The Tranche 1 sites noted below have been successful in achieving funding, whilst the prioritisation of funding for the Tranche 2 sites is ongoing and awaiting approval. These funds will be used to de-risk several sites that are suitable for housing development of which some are included within the Phase 1 list and will fulfil the grant funding agreement requirements. A summary of all Brownfield Land Grant sites is provided below:

<b>Site</b>	<b>Status</b>	<b>Scope</b>	<b>Works start</b>
School Street Radcliffe	Tranche 1 approved	Site clearance Demolition Remediation Coal drilling & grouting	Feb 21
Fletcher Fold Bury	Tranche 1 approved	Site clearance Remediation Coal drilling & grouting	Feb 21
Seedfield Bury	Tranche 2 approved - using MHCLG funds	Demolition of buildings Site improvements	Sept 21

<b>Site</b>	<b>Status</b>	<b>Scope</b>	<b>Works start</b>
Wheatfield Whitefield	Tranche 2 shortlist - awaiting final approval	Remediation and site enabling works	December 2021
William Kemp Heaton Bury	Tranche 2 reserve list	Remediation	December 2021

## **Current Challenges**

There are limited Council resources to deal with the constant requests from individuals or third parties looking for opportunities to purchase our property assets. This programme will bring in the required resources to comprehensively allow the Council to dispose of its chosen property assets in a strategic and co-ordinated way, and via a manageable phased approach.

There is a cost to maintain the Council's assets and failure to manage them properly could cause a potential health and safety risk, as well as a reputational risk to the Council as the landowner.

## **The Proposal**

### **List of Property Assets/Progress**

The following 20 Phase 1 property assets are recommended for disposal. Further details on the sites can be found in Appendix A.

The property assets have been chosen for this first phase due to having had approval for disposal in previous years.

Some property assets already have a route for disposal and are in the process of being disposed of. They are on this Phase 1 list so backlogs can be captured as part of the overall corporate programme target of capital receipt generation. The table at Appendix A provides an appropriate narrative so these can be identified.

<b>ADDRESS</b>	<b>SERVICE USE</b>	<b>NOTES</b>
Land adjacent 92 Fir Street, Ramsbottom	Property	Former Garage Site now vacant

Land adjacent 5 Water Street, Radcliffe	Leisure - Landscaped Area	Interest from adjacent Shop owner - Leisure Services to retain remainder  Part disposal to adjoining owner for car parking
New Summerseat House, Summerseat Lane, Bury	Children's Services	Former Pupil Learning Centre  Agent being procured for its disposal following Cabinet approval in January 2021
Former Playing Field at Wellington Road, Bury	Children's Services	Former Tip Site now grassed over and vacant - Vents around perimeter of site  Former tip site designated as playing field but never used
Wheatfields, Victoria Avenue, Whitefield [Site of Former ACS Day Centre]	Adult Care	Site of ormer Day Centre - [Japanese Knotweed on site]  Housing Site - part of Brownfield Land Funding Bid with potential for disposal
8 & 10 Tithebarn Street, & 12 Tithebarn Street, Bury	Property	Sale proceeding - with legal awaiting exchange of contracts
Land adjacent 79 Pine Street, Bury	Leisure - Landscaped Area	Put forward as part of Leisure's sites review Former end terrace site suitable for Auction
Site of Part Whittaker House, Whittaker Street, Radcliffe [Part B]	ACS - Former Elderly Persons Home	Potential sale to Housing Association or other  Former ACS EPH - Vacant site required for emergency access to Coney Green School site. Sale proposed to P@NWHHA [part] DV Val £165k Legal Instructed
Land at Fern Street, Ramsbottom [Plot A]	Property	Development site ready for disposal  Former Garage Site - Licenses terminated - Cleared site

Land at Peel Brow, Ramsbottom [Plot B] Patmos St/Fern St	Property/Leisure Services	Potential development site
Former Ramsbottom Youth Club site and adjoining land, Central St, Ramsbottom	Children's Services & Adult learning - Former Youth Centre	Development site ready for disposal
William Kemp Heaton, St Peters Road, Bury	Adult Care	Housing Site - part of Brownfield Land Funding Bid with potential for disposal  Cleared Site
Former Radcliffe High School site, School St, Radcliffe	Children's Services - Former School	Housing Site - Part of Tranche 1 of the Brownfield Housing Fund  PRU will need to be relocated
Site of former Bury Fire Station, The Rock, Bury	Property Services	Cleared site - marketing imminent
10-12 Tottington Road	Property Services	Vacant shop/office
Back Manor Street Works, Bury	Planning	Derelict building  Vacant building in disrepair
Former CPU Kitchens, Willow Street, Bury	Operations	Potential development site - temporary use by East Ward Primary School as staff car parking
Rochdale Road / York Street (Claybank), Bury	Property Services	Offer was accepted in 2017 but has not proceeded to completion
Former Whitefield Library, Pinfold Lane, Whitefield	Libraries	Vacant Building [Temporary Covid Testing] - Adjacent to Pinfold Lane Adult Day Centre operated by Persona
Seedfield, Parkinson Street, Bury	ACS	Housing Site - part of Brownfield Land Funding Bid  99% vacant property. Children's services team to relocate

## Process for Disposal

An operational process map has been established that sets out a fair and consistent process, including governance route that will be followed for each disposal.

This revised operational process map is as a result of a review of the existing Council's Disposals Strategy 2013. It incorporates some of the existing principles for disposal of the 2013 strategy but also realigns it with the current priorities and structure of the Council.

Disposal of the property assets will be through a range of methods – land transaction, auction, marketed through an agent, community asset transfer etc. There will be a variety of property assets disposed of and it is important that there is a range of available disposal options, as not all property assets will benefit from being disposed of in the same way.

The management of each disposal will be delegated to the Head of Property & Asset Management/Director of Economic Regeneration & Capital Growth, as per approval given at Cabinet on 24<sup>th</sup> November 2020.

There will be a continuous active review of the Council's property assets that will include communication and consultation with key officers in all departments to help determine and prioritise property assets that are identified as surplus to requirements. This will establish the future phases of property asset disposal in line with Council strategies, requirements and expectations.

## **Future Strategy**

Although this report focuses on Phase 1 of the Council's Accelerated Land and Property Disposal Programme, it is part of an ongoing piece of work that will include future phases of property assets for disposal over (at least) the next 2-3 years. A Phase 2 list is already being considered and developed.

Officers have started to establish a strategy for the identification of future property assets. A template for property review is being formulated to prioritise assets for disposal, alongside a matrix and criteria to help with developing the strategy.

Identification of property assets for disposal will be on a rolling programme of phases that will be identified by the Programme Manager for the programme. All future phases (like this first phase) will be manageable phases to ensure the success of the programme.

## **Programme Management**

The following table sets out the key achievements since the Cabinet approval in November 2020:

<b>Milestone</b>	<b>Timeline</b>	<b>Achieved</b>
Cabinet approval for accelerated disposals programme	November 2020	Yes
Interim Programme Manager appointed (support from GMCA)	January 2021	Yes
Phase 1 list circulated internally (for	February 2021	Yes

<b>Milestone</b>	<b>Timeline</b>	<b>Achieved</b>
Expressions of Interest as per process map)		
Cabinet Approve Phase 1 Programme	March 2021	Pending
Appointment of Property Lawyer and Property Agent	April 2021	No
Marketing of sites commences, including taking sites to auction	April 2021	No

The Property Lawyer post's recruitment paperwork is being finalised and it is expected that the post will be advertised during March 2021. The Property Agent resource will be part of a retained agent service that the BGI department will procure and manage – the brief for the invitation to tender is currently being developed and it is hoped that a suitable property agent will be in place by May 2021.

Work is also underway to secure a programme manager for the duration of the programme by June/July 2021, noting that the current programme manager is interim but will stay in post until the recruitment process is complete to ensure that no momentum is lost with the programme.

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## **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 may be that in the event that a sale price is not secured that a community transfer could be considered.

The community will benefit from some assets being transformed from possibly unused pieces of land that have been difficult to maintain over the years, to land that is of benefit to the local community e.g. small-scale residential developments.

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## **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.*

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## Assessment of Risk:

Risk / opportunity	Mitigation
Recession leads to lower land values and receipts	In this event, a larger disposal programme would be required to meet targets. The Council may wish to remarket land and property disposals that don't meet anticipated returns.
Land and property disposals are notoriously labour intensive and are at risk of not being favoured within a community	Agree sales schedules with Members and in particular ward members where they might be impacted and consider disposing to a community group via community asset transfer, subject to conditions being satisfied
Purchase fails to meet obligations placed on an agreed disposal and a dispute breaks out	Strict legal process in place that allows the Council to act if the agreed obligations weren't met within an agreed timescale
Resources to undertake the land and property disposals are not put in place in a timely manner	Recruit the necessary personnel in accordance with the key milestones and expected delivery timescales

## Consultation:

Key Council officers (through the Council's Asset Working Group and the Executive Budget Holders Asset Board) have already been consulted on the list of property assets recommended for disposal, as part of the governance process for this disposals programme.

Comments have been helpfully received from Highways on some of the property assets that will be carefully considered and fed into next stages of the work that will involve preparing the assets for disposal.

Also part of the agreed governance process, respective Ward Members have been advised of the property assets that are being recommended for disposal that are in their ward. There were no comments made in relation to any of the property assets identified for disposal.

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## Legal Implications:



There are no legal implication arising from this report, but legal input will be required in relation to the proposed disposals. The dedicated legal post will be recruited to in line with the Council's recruitment and selection policies and compliance with relevant equality duties.

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## **Financial Implications:**

The total pipeline of sites indicates that c£8m in capital receipts can be generated from which £0.6m is likely to be needed to drive forward the programme primarily through the appointment of a programme manager, property agent and property lawyer. These costs together with c£1.6m in costs that have already been incurred will be met from the capital receipts.

Any capital receipts in excess of this and the opportunity they provide will need to be considered in the context of the Council's financial strategy. Consideration of the flexibilities allowed to support projects that will deliver service transformation and a reduction in costs will need to be taken into account.

The Council has also secured Brownfield Land Grant which will support and fund some of the costs associated with the programme. This funding is however time limited and the proposals therefore need to be progressed at pace to avoid any of the grant funding from being returned.

Regular monitoring and reporting of the process will be needed to ensure that receipts are delivered within anticipated timescales and that the Council does not incur costs without seeing the benefit of receipts and also to mitigate against the risk of clawback of grant monies. As part of the development of the governance arrangements for the capital programme, monitoring of capital receipts and the progress against the disposal programme will be factored into the quarterly monitoring reports to Cabinet.

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**Background papers:**

APPENDIX A – Phase 1 list of property assets (attached)

Approved Accelerated Land and Property Disposals Programme Cabinet Report 24<sup>th</sup> November 2021 (referenced in this report)

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

Term	Meaning