

Meeting:	Cabinet
Meeting date:	30 June 2021
Title of report:	Disposal of the site of the former Bury Fire Station site, The Rock, Bury
Report by:	Eammon O'Brien
Decision Type:	Key Decision
Ward(s) to which report relates	East

Executive Summary:

At the meeting of Cabinet held on 24 March 2021, approval was granted to the Accelerated Land and Property Disposals Programme – Phase 1. The site of the former Bury Fire Station on The Rock was one of the Phase 1 properties approved for disposal.

Following a procurement process, Avison Young were appointed to market the former fire station site on behalf of the Council. Avison Young invited bids for the site to be submitted by 16 April 2021.

As a result of the marketing exercise, 13 bids were submitted for the site. Avison Young undertook an evaluation of the bids received and have provided a recommendation with regard to a preferred bidder.

The sale of the site would:

- Bring forward the development of a key gateway site in northeast of the town centre.
- Provide a capital receipt for the Council.
- Provide on-going Business Rate revenue.
- Remove the risks associated with holding a vacant site.

Recommendation(s)

That:

- 1) Approval is given to progress the sale of the site to the preferred bidder.

- 2) Delegation to the Director of Economic Regeneration and Capital Growth to agree a detailed head of terms in consultation with the Cabinet Member for Finance & Monitoring Officer.

Key considerations

1.0 Background

- 1.1 Bury Council acquired the former Bury Fire Station site from Greater Manchester Fire and Rescue Service in August 2012 following the relocation of the fire service to Chamberhall.
- 1.2 The site occupies a prominent gateway location covering an area of approximately 1.16 acres (0.47 hectares) in the north east of Bury Town Centre and presents a significant development opportunity for the town.
- 1.3 The fire station buildings were demolished in 2020 due to their deteriorating condition, problems with anti-social behaviour/break-ins. The demolished site is more attractive to potential purchasers.
- 1.4 A Cabinet report was approved on the 24th November 2020 which provided an overview on the Accelerated Land and Property Disposals programme including identifying some of the key benefits of the programme:
 - Local Economy – Capital Receipts, Business Rates, Council Tax
 - Creation of additional local jobs/ small business space
 - 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
 - Land receipt to cover all costs of marketing property

On the 24th March 2021 Cabinet approved the disposal of 20 Phase 1 property assets that were surplus to requirements. The former fire station site was included within the Phase 1 list of surplus assets.

- 1.5 Following a procurement process, Avison Young were appointed as the Council's marketing agent and invited bids for the site to be submitted by 16 April 2021.
- 1.6 13 bids were received for the site with bidders proposing a variety of end uses including hotel, residential, retail, car sales, drive-thru food and beverage, petrol service station.
- 1.7 Careful assessment of the bids was needed to identify viable development proposals that did not have a detrimental impact on footfall elsewhere in the town centre, detract customers from existing food and beverage establishments or undermine any future development viability elsewhere in the town centre regeneration programme.

A summary of the wider evaluation criteria is provided below:

Commercial offer	Land receipt, timing, conditionality
Design quality	Quality of design proposals
Development viability	Viability in the context of local values & demand
Deliverability – planning & constraints	Likelihood of subject to planning offer failing to complete due to problems gaining permission. Avoid impact on highways, traffic & existing pinch point junction on the Rock.

	Appropriate massing / design on gateway site.
Impact upon high street retail	Avoid out of town retail units which detract from core of town centre. It is important to avoid diverting footfall away from existing centres in the context of the post Covid economic recovery of the town centre.
Impact upon existing night-time economy	Avoid diverting customer base away from existing cafes, bars and restaurants. It is important to avoid any development on the site competing with existing business in the context of the post Covid economy recovery of the town centre.
Economic growth	Wider economic role of the proposed uses within the town centre, complimenting existing economy along with facilitating direct and indirect job creation.

- 1.8 Officers from BGI reflected the evaluation criteria in the assessment of the bid proposals. As bids were subject to planning consent being granted, weighting of the scores reflects whether the development proposals would be able to gain planning consent and complete.
- 1.9 Several proposals for petrol filling stations, standalone retail units and drive thru restaurants received low scores due to their impact on highway loading on an already busy junction and its effect on the surrounding highway network. More suitable locations have been identified nearby and will be disposed of as part of the Accelerated Land Disposal Programme by the council.
- 1.10 Proposals that were deemed to impact on footfall within the core of the town centre, undermining the customer base of existing businesses or impact viability of developments elsewhere in the regeneration programme also received low scores. This included drive thru restaurants / food & beverage and retail proposals.
- 1.11 Hotel, mixed use and residential proposals, with appropriate massing and design plans received high scoring. It was noted that all designs were subject to consultation with the planning authority.
- 1.12 Following the evaluation process, Avison Young have provided the Council with a recommendation report that identifies a preferred bidder and the reasons behind their recommendations.

2.0 Next Steps

- 2.1 Subject to approval being given by Cabinet to progress with the sale of the site to the preferred bidder, Avison Young will inform the preferred bidder that their bid has been successful and will finalise agreed Heads of Terms for the disposal with the bidder.
- 2.2 Further details of the successful bidder can be found in Part B of this report.

3.0 Community impact / Contribution to the Bury 2030 Strategy

- 3.1 Our Corporate Plan 2020/22 sets out key themes, principles and deliverables to support the Borough of Bury as it recovers from the local impact of the Covid-19 pandemic and builds a better and brighter future for our population, communities and businesses. The redevelopment of the former fire station site will benefit the immediate area and the town as the land is brought back into use, providing services that will attract people to the borough and providing employment opportunities to local residents.

4.0 Equality Impact and considerations:

This proposal does not adversely affect equality.

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.*

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.

5.0 Assessment of Risk

Several risks have been identified and reported. Mitigation is in place and will be monitored.

Negative Development Council procure a development partner who delivers a proposal which has detrimental impact to the town centre.	Exhaustive open and transparent disposal process has been followed with an open development brief. Evaluation of proposals has made significant efforts to ensure the right development proposal comes forward, avoiding detrimental impact on the high street, secures appropriate uses, density and massing for a gateway site whilst not unduly burdening the local highway network.
Incomplete contract Purchaser enters contract but is not able to complete contract <ul style="list-style-type: none">a) unable to secure planningb) unable to secure development funding	<ul style="list-style-type: none">a) Officers have evaluated proposals and weighted scoring to reflect the level of planning risk.b) Council will condition the contract to provide proof of development funding with longstop or reverse option in place to ensure not held in perpetuity.
Uncompleted development Purchase is able to complete on purchase agreement but does not complete development	Council will provide mechanism for the agreement to either expire or a reverse option to take control of the land in the event the purchaser does not commence or complete development within an agreed timeframe.
Ensure best value	Financial offer is in excess of book value.

Financial consideration against existing asset value and estates strategy	Development proposal evaluated in the context of wider economic impact.
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Purchaser cannot complete

6.0 Consultation:

Member consultation with portfolio holders, local ward and cabinet members as required.

Development proposals will be subject to a full public consultation.

7.0 Legal Implications:

As set out Cabinet approved the disposal of the site on 24th March 2021. The report sets out that best value consideration has been undertaken to meet the requirements of Section 123 of the Local Government Act 1972.

8.0 Financial Implications:

Cabinet have previously approved to the disposal of the site as part of the accelerated land disposal programme. This report updates on the outcome of the bidding process to appoint a preferred developer. It should be noted that the evaluation of the bid was based upon a number of criteria which included the wider economic impact, likelihood of planning consent and not purely based upon the highest capital receipt.

The disposal of this site will not only generate a capital receipt for the Council but will also generate business rates and jobs for the local economy. Costs incurred to dispose of the land will be covered by the capital receipt and have been included within the accelerated land and property disposal report which is also on this agenda.

9.0 Report Author and Contact Details:

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