

<b>Classification:</b> Open	<b>Decision Type:</b> Key
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<b>Report to:</b>	Cabinet	<b>Date:</b> 16 November 2022
<b>Subject:</b>	Sale of New Summerseat House, Ramsbottom, BL0 9UD, Bury	
<b>Report of</b>	Leader and Cabinet Member for Strategic Growth and Skills	

### Summary

This report presents Cabinet with the results of a recent tender exercise for the sale of New Summerseat House. The site is part of the Accelerated Land Disposal Programme and has been vacant for many years. The sale will bring forward the restoration of this listed building, end problems caused to local residents by the empty building attracting anti-social behaviour and remove ongoing liabilities to the Council for security and maintenance.

### Recommendations:

#### That Cabinet:

1. Notes the results of the tender exercise for the sale of New Summerseat House.
2. Approves the grant of a 250 year lease to the selected purchaser.
3. Delegate the signing of all contracts required to complete the grant of the lease to the Director of Law and Democratic Services.

### Reasons for recommendation(s)

To bring forward the sale of New Summerseat House.

### Options considered and rejected

#### Option 1 - Do Nothing

- In this scenario the property would be left vacant, its condition would further deteriorate and the property would continue to attract anti-social behaviour. The Council would be responsible for ongoing security and maintenance. The property is within the Accelerated Land Disposal Programme and ongoing security and maintenance costs would have to be incurred if the sale did not proceed. This option would not ensure the renovation of the listed building. As such, this option has been discounted.

## **Option 2 – Accept the tender from the highest ranked bidder**

- This option would see the listed building renovated and brought back into use as a residential property within the next 12 months. This option would also bring in a significant capital receipt to the Council in the 2022/23 financial year.

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### **Key considerations**

#### **1. Background**

- 1.1 New Summerseat House has been vacant since 2016 when its former use as a Pupil Learning Centre ceased. Since this time the listed building has significantly deteriorated, the property suffers from ongoing issues of anti-social behaviour. There is the potential if the asset is not disposed of for it to cost the Council in excess of £150k per annum in security and maintenance costs, for which there is no existing budget.
- 1.2 CBRE (the Councils agents) originally marketed the property in the summer of 2021, however the preferred bidder was unable to provide satisfactory proof of funds to enable the sale to continue. The decision was therefore made to re-market the site, this time with a planning / development brief that would give bidders an indication of what uses the Council would deem acceptable from a planning perspective.
- 1.3 It is proposed that a 250-year lease is granted to the purchaser, which will contain restrictions on use, future development restrictions and ongoing repairing obligations.
- 1.4 Tender documents were issued via the Chest on 18<sup>th</sup> May 2022, with a return date of 16<sup>th</sup> September 2022.
- 1.5 Seven compliant tenders were received and have been assessed by CBRE on behalf of the Council.

#### **2. Current Position**

- 2.1 Details of the seven compliant tenders received as a result of the tender exercise are contained within Part B of this report.

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**Links with the Corporate Priorities:**

- 3 The proposal;
  - Will bring a derelict listed building back into use and mitigate the current costs of security and maintenance that the Council is currently incurring
  - Provide training opportunities during the construction period.

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**Equality Impact and Considerations:**

- 4 Not required as this proposal does not adversely affect equality.

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**Environmental Impact and Considerations:**

- 5 The renovation and retention of the current building will reduce the carbon footprint of the proposed scheme.

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**Assessment and Mitigation of Risk:**

<b>Risk / opportunity</b>	<b>Mitigation</b>
That the sale fails to proceed	The purchaser has indicated that they will exchange contracts with 14 days of receiving the legal pack and complete 28 days after exchange.
The purchaser has insufficient funds to complete the renovation works	The prospective purchaser has provided proof of funds for both the purchase and renovation works
The purchaser seeks to demolish the existing listed building and redevelop a number of new residential units	The long lease will contain a provision that the property can only be used a single residence

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**Legal Implications:**

- 6 A tender exercise has been carried out in accordance with the Public Contract Regulations 2015. The detail of the bids received and the evaluation process is set out in the Part B report.

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**Financial Implications:**

- 7 The property is currently held within the Council's asset register as an asset held for sale at a value of £567k and the Council is currently incurring costs for security at the site for which there is no budget and

therefore this is showing as a pressure. The sale of the property will generate a substantial capital receipt for the Council.

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**Background papers:**

None