

Classification: Open	Decision Type: Key
--------------------------------	------------------------------

Report to:	Cabinet	Date: 06 September 2023
Subject:	Sale of New Summerseat House, Ramsbottom, BL0 9UD, Bury	
Report of	Leader and Cabinet Member for Strategic Growth	

Summary

This report presents Cabinet with the results of the updated 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 updated tender exercise for the sale of New Summerseat House.
2. Approves the grant of a 999-year lease to the selected purchaser.
3. Delegates approval of the documentation 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 2023/24 financial year.

Report Author and Contact Details:

Name: Roger Frith

Position: Head of Land & Property

Department: Business Growth & Infrastructure

E-mail: r.frith@bury.org.uk

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 more than £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 A second tender exercise was carried out in summer 2022, the results of which were approved by Cabinet in November 2022. In May 2023 the winning bidder informed the Council that he could no longer proceed at the price he had previously offered. As a result, and in fairness to the other bidders who had submitted proposals, a further bidding stage has been required whereby all original bidders had the opportunity to submit revised bids.
- 1.3 It is proposed that a 999-year lease is granted to the purchaser with a restriction on the use being for residential purposes only.
- 1.4 CBRE on behalf of the Council, requested revised bids to be submitted by Friday 4th August at 12pm.
- 1.5 Two compliant bids were received and have been assessed by CBRE on behalf of the Council.

2. Current Position

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

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.

Equality Impact and Considerations:

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

Environmental Impact and Considerations:

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

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
That the sale fails to proceed	The purchaser has indicated that they will exchange contracts within 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 for residential purposes and planning consent would be required for any demolition works.

Legal Implications:

- 6 The revised bidding process has been conducted in a fair and compliant manner. The recommended bid is more than the bid previously approved by Cabinet in November 2022 which the bidder in question subsequently withdrew. The recommended bid satisfies the best consideration available in the market test under section 123 of the Local Government Act 1972.

Financial Implications:

The latest bid represents an increase in that previously approved by Cabinet. It was previously anticipated that the receipt would be received in the 2022/23 financial year therefore, it is imperative that the Council now acts to dispose of this asset quickly to reduce the ongoing revenue costs being incurred on security and to generate the receipt within the 2023/24 financial year.

Background papers:

None