

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

Report to:	Cabinet	Date: 04 September 2024
Subject:	Update on the ALPD (Accelerated Land and Property Disposals)	
Report of	Leader and Cabinet Member for Strategic Growth	

Summary

1. This report provides an update in relation to the progress of the Council's Accelerated Land and Property Disposals Programme (ALPD) which has been in operation following Cabinet approval on 24th November 2020. This report provides a rationale as to why some sites are to be withdrawn, under review and to be added to the programme and outlines the Future Assets Programme (FAP) with regards to disposals.
2. Further this report seeks approval for the disposal of Spurr House, Pole Lane, Unsworth.
3. Proposes a new programme to encompass the ALPD and Future Asset Programme (FAP),(disposals only) to be known as the Asset Transformation Programme (ATP)
4. Three phases of land and building assets (hereafter referred to as property assets) have been approved for disposal by Cabinet on 24th March 2021, 30th June 2021 and 13th October 2021 with an update provided to Cabinet on 9 March 2022. Subsequent to that permission to dispose of some sites have been undertaken following individual reports to Cabinet
5. Led by the Land and Property team, a team of officers have been making steady progress on preparing and disposing of the smaller property assets, alongside other key officers from across the Business, Growth and Infrastructure (BGI) Department focusing on the larger, more strategic Council-owned property assets.
6. Preparing some of the property assets for disposal that are classed as open space have resulted in challenges and objections from residents through the Public Open Space advertising procedure that is statutorily required by law which has resulted in the property assets being removed from the ALPD.
7. As noted in the Phase 3 Cabinet paper (13th October 2021), the Council does reserve the right not to dispose of a property asset, should it be determined following review that it should be retained. Further development of the ALPD has identified the potential need to retain property assets for short-term use

and several property assets to remain within the ownership of the Council, as alternative uses have been identified that supports other Council strategies.

Recommendation(s)

8. To note the progress of the ALPD to date.
9. To note the Future Assets Programme and implications for disposal.
10. To approve to the withdrawal of property assets for disposal set out in paragraph 20 below from the ALPD
11. To approve the classification of property assets detailed at paragraph 21 below as surplus and to add to the ALPD property assets set out in Appendix 2.
12. To approve delegated authority to the Head of Land and Property to determine and agree terms for the sale of property assets in consultation with the s151 Officer, the Monitoring Officer, and the Exec Director (Place)
13. To approve the disposal of Spurr House, Pole, Unsworth.
14. To approve the establishment of the ATP (Asset Transformation Programme) to replace the ALPD.

Reasons for recommendation(s)

15. To be apprised of the progress of the ALPD and other disposals to date.
16. To make best use of the Council's property assets. Disposing of property assets to reduce holding costs, reduce the Councils' carbon footprint and to generate capital receipts.
17. To enable the Council to continue to generate capital receipts that can enable other Council projects to be supported.
18. To bring together all the property asset disposals within one programme

Alternative options considered and rejected

19. No other options were considered / were applicable

Report Author and Contact Details:

Name: Roger Frith

Position: Head of Land & Property

Department: BGI (Business Growth and Infrastructure)

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

Background

20. The ALPD is part of a wider disposals programme which includes the Brownfield Land programme and more recently the Future Assets Programme.

As well as generating capital receipts the disposal of buildings generates permanent savings as holding costs are eliminated, health and safety liabilities are removed, and it creates a more simplified sustainable portfolio for the Council to manage. It also leads to a reduction in energy use by the Council and therefore a carbon saving for the Council. Disposal of larger land sites have generated capital receipts and has brought forward sites for commercial and residential delivery. In turn this will provide increased Business Rates and Council Tax and New homes Bonus income through provision of new homes.

The wider disposals programme (including ALPD) has achieved capital receipts of £1,168,900 in 2022/2023 and £7,929,635 in 2023/2024. As part of the wider disposal programme the Brownfield Land programme has brought forward sites for residential development with affordable housing to the borough.

- Green Street, Radcliffe –132 new homes (97 affordable homes with 56 being social rented)
- Seedfield site, Parkinson Street, Bury – 84 new homes (21 affordable)
- School Street, Radcliffe – 90 homes (22 affordable)
- Former Wheatfield site, Whitefield – 30 affordable homes
- Former CPU, Willow Street, Bury – 13 affordable homes (all social rented)
- ELPM site, Radcliffe –400 homes (100 affordable)

There are several sites at various stages of disposal with Capital receipts expected in years 2024-2026.

- Former William Kemp Heaton site, Bury – 43 affordable homes (all social rented) - see Cabinet Report 18/11/2021
- Former Millwood site, Fletcher Fold Road, Bury – 43 affordable homes (all social rented) - subject to planning - see Cabinet Report 16/11/2022
- The Elms – circa 24 affordable homes (subject to planning) - see Cabinet report 13/03/2024
- Pyramid Park, Bury – circa 148 homes (24 affordable) - subject to planning - see Cabinet Report 15/03/2023
- Humphrey House – build to rent scheme (subject to planning) - see Cabinet Report 01/09/2021
- Former Police station, Irwell Street, Bury – extra care scheme (subject to planning) - see Cabinet Report 07/06/2023

There are limited Council resources to deal with continued requests from individuals or third parties looking for opportunities to purchase Council assets. As a result of this, the following sites, currently on the ALPD, have been identified as being under review until additional resources can be put in place estimated to be in position within the next year. The Land and Property Team and the FAP team are both looking to recruit additional staff which will hopefully ease the situation. The identified sites listed below consist of smaller plots of land or plots of land with title issues which would bring in small capital receipts. By placing these assets under review, the Land and Property and the FAP teams can concentrate on the larger sites generating larger capital receipts.

- Land adjacent to 5 Water Street, Radcliffe
- Land rear of 115 Outwood Road, Radcliffe
- Land at Fitzgerald Close / Venwood Road, Prestwich
- Land adjacent to 65 Turks Road, Radcliffe
- Land off Outwood Road, Radcliffe – banking
- Land at Richard Birch Street / Taylor Street, Bury
- Land at Bond Street / Queen Street, Bury
- Land at Back Laurel Street, Bury
- Land at Salford Street, Bury
- Land at Shirebrook Drive / Whittaker Street, Radcliffe
- Land at Holland Street / Hutchinson Street, Radcliffe
- Land at Spring Lane / Whittaker Street, Radcliffe
- Land at Springside View (part), Bury
- Land at Fern Street and Peel Brow, Ramsbottom

Additionally, the following sites, currently on the ALPD, have been identified as being under review for the following reasons:

- Land at Bury New Road, Brightmet – this land is greenbelt and strategically the Council should hold on to this site for the time being.
- 7 Whittaker Street, Radcliffe – this is the former Council office building, and the site is being considered for a temporary PRU site.
- Land at Parsonage Street / Whittaker Street, Radcliffe – garage colony – this site is linked to the above site 7 Whittaker Street and will be disposed of along with the site of 7 Whittaker Street.
- Land at Bridge Street, Bury – the Council owns the Freehold of this site only with a long leasehold in place i.e. a reversionary interest only. This site will be considered by the FAP team when looking at the Council's commercial estate and the possibility of disposing of a group of reversionary interests in one lot.
- Part site of Whittaker House, Whittaker Street, Radcliffe – this site will be considered at a later date and should be strategically held by the Council for the time being

- Textile Hall, Manchester Road, Bury – The Council via the FAP team is reviewing all the admin buildings and this may be brought forward for disposal during this process.
- Land at Manchester Road / Belle Vue Terrace, Bury – this site is under review via the FAP team and may be brought forward at a later stage
- Broad Oak fields, Broad Oak Lane, / Bridge Hall Lane, Bury – this land is greenbelt and strategically the Council should hold onto this site for now
- Former Whitefield Library, Pinfold Lane, Whitefield – there is currently a proposal on this site for the relocation of the medical centre from The Uplands with any decisions being subject to a later report and Cabinet approval
- Land at Wellington Road, Bury – this site is to be strategically held by the Council at this time
- Philips Park, Prestwich – orangery and stables – this site is within a park and as such has many restrictions, and a suitable proposal would need to come forward which can be considered.

A list of all the disposals within Phase 1,2 and 3 and their current status are contained within appendix 1.

21. **Future Asset Programme (FAP) and its impact on disposals**

The FAP implements a major overhaul to the Council's land and property assets. It aims to create a holistic and comprehensive approach towards effectively analysing our land and property holdings, with the ambition to achieve the following outcomes:

- Complete the consolidation of administrative buildings (subject to oversailing leases) in line with the original 'Flexibly' programme and deliver the annual saving targets.
- Identify properties capable of operating as 'family centres' which are also Hubs for their local communities. Develop investment cases to modify the buildings, undertake backlog repairs and maintenance and fit-out the properties (there is no budget allowance made in this investment case for this activity).
- Dispose of Council owned smaller buildings reducing holding costs, removing health and safety liabilities, and creating a simplified portfolio for the Facilities Management Board to oversee.
- Remodel the commercial estate through consolidation and strategic investment in line with an approved Asset Management Strategy (currently in development) with a view to increasing the commercial revenues available to the Council.
- Increase Council Tax and New homes Bonus income through provision of new homes in line with budgeted increases within the Council's Medium Term Financial Strategy.
- Significantly reduce the Council's exposure to unforeseen costs associated holding a large property portfolio which will face inevitable unbudgeted requirements for repairs and maintenance as well as in some cases security.

- Significantly reduce the Council's electricity and gas bills contributing towards our carbon reduction plans.
- Complete the ALPD and support the generation of £20m of capital receipts.
- Raise further capital receipts from other 'windfall' or one-off opportunities that can be used to help fund the programme operation and contribute to budget pressures.
- Complete the business case for a refurbished Town Hall, in line with the findings of the cross-party working group.
- Identify and implement opportunities for new housing on our existing Estates whilst delivering improvements to the environment for existing residents.

The programme will start to bring forward additional sites for disposal specific site locations to be presented at a future date and in turn generate two significant financial benefits:

- a) The reduction of utility, rates and other costs associated with Council owned buildings.
- b) The generation of Capital receipts from the sale of land

The ongoing savings made from the reduction in the Council's building footprint will be counted as permanent efficiency savings. The receipts generated from the sale of surplus land and property will support the costs of operating this transformation programme through the Flexible Use of Capital Receipts Programme

22. **Approval to remove assets from the ALPD**

Several property assets approved for disposal within the ALPD have, following review, been identified as assets which should not be disposed of. Permission is sought to remove these from the ALPD as set out below: -

- Land at Dean Street, Radcliffe – following Public Open Space Consultation this plot of land is now managed by the community with help from the Council's Leisure services team.
- Land at Greengate Lane / Warwick Street, Prestwich – following Public Open Space Consultation this plot of land is now managed by the community with help from the Council's Leisure Services team.
- Ranger Base, Clarence Park, Bury – this site is now rented to a community group (Friends of Clarence Park)
- Park Lodge, 224 Walmersley Road, Bury - this property is subject to a residential lease and should not have been included in the ALPD.

- The Lodge, 157 Manchester Road, Bury – this property is currently used by a Council Adult Social Care Service (Bury Employment Support & Training – Bury EST) and is deemed to be the best property in which to deliver that service.

Ward councillors will be notified of these sites at the same time as the Cabinet report is published.

23. **Approval to declare assets surplus and to add to the ALPD (phase 4)**

Several sites since 9 March 2022 (the last ALPD update) have been identified as proposed disposal sites – these are listed in Appendix 2 with red edged plans for identification. The sites are: -

- North Block, Radcliffe – part of the Radcliffe regeneration
- Townside Fields, Q Park roof, Bury
- Land adj 10-12 Tottington Road, Bury
- Spurr House, Pole Lane, Unsworth
- Land off Buller Street, Bury
- Land off Leigh Lane / Owlerbarrow Road, Walshaw
- Clough Farmhouse, Clough Lane, Prestwich
- Medivet, Central Street, Ramsbottom
- Milltown House, Tenterden Street, Bury
- The Ark, Albert Road, Whitefield
- Land at Wike Street, Bury
- Garage colony, Back Bolton Road, Bury
- Garage colony, Chestnut Grove / Ringley Road West, Radcliffe
- Land rear of 6 Andrew Close, Radcliffe

These assets are identified as surplus to the Council's requirements and are recommended to be added to the ALPD for disposal. Once added to the ALPD programme due diligence will be undertaken on each site. By declaring any asset surplus to the Council's requirements and adding an asset to a disposal list does not necessarily mean the Council will dispose of this asset.

The Land and Property team will formulate a disposal strategy for each property asset.

Ward councillors will be notified of these sites at the same time as the Cabinet report is published.

24. **Delegated Authority**

To approve delegated authority to the Head of Land and Property to negotiate and agree terms for the sale of property assets in consultation with the s151 Officer, the Monitoring Officer, and the Exec Director (Place). This will ensure

that disposals are undertaken in the most appropriate way whilst ensuring that all disposals are legally and financially compliant.

25. Approval to dispose of Spurr House, Pole Lane, Unsworth

Spurr House, Pole Lane, Unsworth was a site used as a short stay residential building which was shut in October 2021.

The site was then considered as a site for a new PRU building and the Council had developed plans and secured planning permission to adapt the premises. However, those adaptations could not be completed on time to enable Spring Lane School to relocate directly from its current site and the New Kershaw Centre was deemed a more viable solution. (See Cabinet Report 13/12/2023.)

The property is now surplus to the Council's requirements and the Council seeks to dispose of the property thereby eliminating all ongoing holding costs and generating a capital receipt for the Council.

An informal tender process has been undertaken and the Council is now asked to approve the disposal of Spurr House to the preferred bidder as documented in Part B of this report.

26. Asset Transformation Programme (ATP)

Currently land and property assets are brought forward for disposal via the ALPD programme or individual Cabinet reports and in the future through the FAP. This is the process also used for declaring assets surplus to the Council's requirements.

Ideally all the disposals should sit within one programme hence the need for a new programme which will encompass all the disposals in one place.

The ALPD programme will be disestablished with the 4 phases of disposal lists forming the main disposal list within the new ATP. Any additional property assets identified for disposal either on a site-to-site basis or via the FAP should be included within the ATP which will also involve declaring the sites surplus to Council requirements.

By declaring any property asset surplus to the Council's requirements and adding a property asset to the disposal list does not necessarily mean the Council will dispose of this property asset and due diligence needs to be undertaken on each site. Previously it has been identified that there may be potential need to retain property assets for short-term use and /or that property assets should remain within the ownership of the Council, as alternative uses have been identified that supports other Council strategies.

If the ATP is adopted, then the ALPD list and programme will be known as the Asset Transformation Programme and ATP list.

Links with the Corporate Priorities:

27. Enterprise to drive economic growth and inclusion – the disposals strategy will bring forward sites for redevelopment which may include new homes or additional commercial buildings being built.

A strength-based approach – being challenged by the local community on why the Council is disposing of some property assets that have been identified by residents as crucial to support the wellbeing of their local environment. A Community Asset Transfer could be considered in these cases

Equality Impact and Considerations:

28. The content of this report does not impact on equality.

Environmental Impact and Considerations:

29. Via the FAP a reduction in the number of buildings operated by Bury Council will lead to a reduction in energy use by the Council and therefore a carbon saving for the Council

If green spaces are disposed to community groups via Community Asset Transfers, then green spaces will be protected and enhanced which will complement the Borough's existing natural environment and green space

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
Withdrawal of some of the property assets will result in the Council needing to maintain them thus requiring a revenue budget.	For two of the sites the Council is working with the community to involve the community in the maintenance of the plots thereby reducing revenue budgets required. One building is already leased to a residential tenant however there are ongoing costs associated with that building The FAP is looking at all admin buildings with a view to rationalise the portfolio therefore admin buildings

	retained will be looked at again during this process.
Land and property disposals are notoriously labour intensive and are at risk of not being favoured within a community	Such property assets are likely to require Public Open Space advertising with any objections being carefully considered. Further property assets can be removed from the ALPD programme by agreement from Cabinet. Alternatively, Community Asset Transfers may be considered subject to policy conditions being satisfied.
Due to market conditions and the introduction of Biodiversity Net Gain policies lower land values and receipts may be obtained.	The Council may wish to remarket assets that do not meet anticipated returns.
Resources to undertake the disposals are not put in place within the Land and Property team.	Recruit the necessary personnel in accordance with any timelines / delivery plans.
Opportunity – Property assets disposed of will not only provide capital receipts but will bring forward sites for residential redevelopment which in turn will increase Council Tax and New Homes Bonus income through provision of new homes. Some sites will also bring forward affordable housing schemes and specialist needs homes. Reducing the number of buildings the Council owns will reduce holding costs and the Council's carbon footprint.	

Legal Implications:

30. Giving notice of land which is public open space is a legal requirement pursuant to S123 of the Local Government Act 1972 and this exercise will need to be undertaken as necessary before disposal, where any land is currently designated open space.
31. The sale of any land or property must also comply with S123 of the Local Government Act 1972 in relation to obtaining best value.

Financial Implications:

32. The land and properties identified on the ALDP programme are subject to a financial investigation and necessary due diligence on a case-by-case basis. In addition, a database of any current revenue budgets (costs and incomes) applicable to these properties is being worked up but is very much still a work in progress.
Capital receipts generated can be utilised to reduce the need to borrow and therefore reduce the revenue impact of the cost of capital in the MTFS and

disposing of the assets will also provide savings to the revenue budget for the costs of holding / maintaining the assets.

Disposal of land / assets can also create additional housing in the borough leading to growth in council tax (for example the Seedfield Site which generated a Capital Receipt of £1.9m and will lead to the creation of 86 new homes, 6 of which will be added to our council housing stock.)

Appendices:

Appendix 1 – summary of disposals on ALPD and other disposals.

Appendix 2 – list of sites with plans to be added to the disposal list

Background papers:

Please list any background documents to this report and include a hyperlink where possible.

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

Term	Meaning
ALPD	Accelerated Land and Property Disposals programme
ATP	Asset Transformation Programme
FAP	Future Asset Programme
PRU	Pupil Referral Unit