

Classification: Open	Decision Type: Key
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Report to:	Cabinet	Date: 05 March 2025
Subject:	Sale of New Summerseat House, Ramsbottom	
Report of	Leader and Cabinet Member for Strategic Growth	

Summary

1. This report recommends that New Summerseat House in Ramsbottom is disposed of via auction. The site is part of the Asset Transformation Programme (formerly the Accelerated Land and Property Disposal programme) and has been vacant for many years. The disposal of this site 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. Disposal of the site will bring forward a capital receipt.

Recommendation(s)

That Cabinet:

2. Notes the intention to dispose of New Summerseat House via auction subject to the auction reaching the reserve price.
3. Delegate the agreement of the reserve price to the Director of Law and Democratic Services and the Executive Director (Place).
4. Delegate the final signing of all contracts required to complete the transaction to the Director of Law and Democratic services. It should be noted that when the gavel falls a binding legal agreement is formed with an obligation to complete usually within 20 working days.

Reasons for recommendation(s)

5. To bring forward the sale of New Summerseat house in a timely manner thereby reducing ongoing liabilities to the Council and to bring the site forward for redevelopment.

Alternative options considered and rejected

6. 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 costs. This option would not ensure the renovation of the

listed building and possible redevelopment of the site. As such, this option has been discounted.

Option 2 – Dispose at auction

This option would see the property asset disposed of in a timely manner with a capital receipt received in the summer of 2025. The disposal will remove the ongoing liabilities to the Council for security and maintenance and bring the site and listed building forward for redevelopment.

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7. Background

- 7.1 New Summerseat House has been vacant since 2016 when its former use as a Pupil Referral unit ceased. Since that time the buildings have significantly deteriorated and the property suffers from ongoing issues of anti-social behaviour. In addition the Council has been responsible for maintenance and security costs for which there is no existing budget.
- 7.2 There has been three attempts to sell the property via an informal tender process but each time the sale has not completed for a variety of different reasons. Information regarding the last tender process was contained in a Cabinet report dated 6 September 2023.
- 7.3 It is proposed now to take this property to auction. A disposal at auction will ensure we meet our best value obligations and provide a certainty of sale. (Once bidding has closed and the gavel falls a binding legal agreement is formed and the matter should be completed within 20 working days.) The disposal will remove ongoing liabilities, bring the site forward for redevelopment and bring forward a capital receipt.
- 7.4 It should be noted that a sale via auction is unlikely to achieve the same values as the previous informal tenders but given that completion takes place 20 working days following the auction this will provide a certainty of completion which has been missing in the previous informal tenders.
- 7.5 As the site is a significant site containing a listed building, we will use a national auction house rather than a regional one to promote the site to a

wider range of bidders. The guide price proposed is £700,000 and a reserve price will be fixed a week before the auction.

- 7.6. The guide price is an indication within 10% upwards or downwards of where the reserve price may be set at the time of going to auction. The guide price is not an indication of the anticipated sale price or a valuation. The reserve price is the minimum price at which the property can be sold.
- 7.7 Once bidding has closed and the gavel falls a binding legal agreement is formed and the matter should be completed within 20 working days.

Links with the Corporate Priorities:

Please summarise how this links to the Let's Do It Strategy.

8. The proposal will provide a certainty of sale, aid with the redevelopment of empty buildings and mitigate the current costs of security and maintenance which the Council is incurring.

Equality Impact and Considerations:

*Please provide an explanation of the outcome(s) of an initial or full EIA and make **specific reference regarding the protected characteristic of Looked After Children**. There must be a signed off EIA template appended with a full analysis or explanation as to why an analysis is not needed for the report to be put forward to cabinet.*

Intranet link to EIA documents is [here](#).

Sign off to be completed by the Council's Equality, Diversity and Inclusion (EDI) Manager (contact l.cawley@bury.gov.uk for advice).

9. Not required as this proposal would not materially affect people or service provision

Environmental Impact and Considerations:

*Please provide an explanation of the Environmental impact of this decision. Please include the impact on both **Carbon emissions** (contact climate@bury.gov.uk for advice) and **Biodiversity** (contact c.m.wilkinson@bury.gov.uk for advice)*

10. None

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
That the property does not reach the reserve price at auction	The property will be resubmitted to the next available auction date.
Lack of control over future use of property	Any proposal brought forward by a purchaser will have to obtain planning permission and comply with any planning restrictions on the site.

Legal Implications:

To be completed by the Council's Monitoring Officer.

11. The Council is required to obtain best value for any sale under S.123 Local Government Act 1972. Selling at auction ensures this happens but a guide price and reserve (minimum sale price) should be agreed with the Auction House. Often a 'difficult' or unusual property will achieve a better price at auction than by private tender.

If the property does not sell the costs incurred will be born by the council, there are also additional cost payable to the Auction House.

The contract is exchanged on the day of the Auction; as the gavel falls. Ahead of the Auction, the Council must be willing to provide a contract which is already signed on behalf of the Council to the Auctioneer for him to hold and exchange at the end of the Auction.

The purchaser will be required to sign the contract and pay the deposit before leaving the Auction House. The Council must therefore have all necessary authorities in place before the Auction as the Council will also be committed to the sale.

The date of completion is agreed in the contract (the period to be decided by the Council) thus providing certainty.

The Council must be willing and able to vacate the Property by the completion date before taking to Auction.

Financial Implications:

To be completed by the Council's Section 151 Officer.

12. Finance supports the disposal of this property at auction due to the historic issues with previous sales, the ongoing liabilities and the opportunity to bring in a capital receipt in a timely manner.

Appendices:

Please list any appended documents.

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