

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

Report to:	Cabinet	Date: 15 January 2026
Subject:	Disposal of land at Chamberhall Business Park	
Report of	Leader and Cabinet Member for Strategic Growth	

Summary

1. Significant regeneration activity has been delivered on council owned land at the Chamber Hall site in Bury by St. Modwen Developments. Although the scheme has been a significant success, the developer was unable to deliver development at the final regeneration area, a circa 5 acre plot which the council has now been held for some time.
2. The council own the last remaining portion of undeveloped land within the wider Chamberhall Business Park and have progressed an interest in the site to dispose of the property for the delivery of a head office facility and some further employment space.
3. The land is part of the Council's Accelerated Land Disposal Program (ALDP) and previous attempts to sell the site in 2022 fell through due to changes in market conditions affecting development viability.
4. The council would like to see a diverse mix of development on the Chamber Hall site. It is felt that the town centre will benefit from greater job density offered through an office use on the site, which is easily accessible from the town centre core. An office use would bring greater economic and other benefits to Bury than an industrial use.
5. The land in question has a negative residual value for office use due to current prevailing demand, market conditions and construction costs. It also has a negligible land value for industrial use following due diligence work carried out to date. There is significant sensitivity in this valuation – in particular rental and investment yields are particularly impactful on land value and small changes have the ability to wipe out any positive valuation on the basis of industrial use. This happened under the previous disposal strategy. This proposed transaction gives the council certainty of development at the site and insulates it from the impact of any further market volatility.
6. Interest has been received from a prominent local business, Crown Gas and Power Limited (Crown G&P), with a view to delivery of high-density office-

based employment on the site. This is directly in line with council aspirations for this area of Bury Town Centre and delivers numerous benefits.

7. It is proposed that the site be disposed of for office use to Crown G&P. This transaction will result in a subsidy under the UK Subsidy Control Regime for which the council feels there is strong justification.

Recommendation(s)

8. Note previous attempts to sell the site and the alternative options, as set out below
9. Approve the disposal of the two plots of council land at Chamberhall to Crown G&P to facilitate the delivery of a new head office facility on plot 1 and industrial development on plot 2, (shown edged red on the plan in Appendix 2) subject to the Council carrying out an assessment of the subsidy's compliance with the subsidy principles set out in Schedule 1 of the Subsidy Control Act 2022, and subject to the Council making the decision that the subsidy is consistent with those principles
10. Delegate the making of required entry on to the Subsidy Database to the Assistant Director for Corporate Assets and Facilities Management.
11. Delegate the signing of all contracts required to complete the sale of the Site to the Director of Law and Governance.

Reasons for recommendation(s)

12. The proposed disposal enables the Council to facilitate the delivery of a new head office on behalf of an established regional business, with the following benefits;
 - bringing in the region of 250 jobs to the borough.
 - The proposed scheme will generate an estimated £310,000 per annum in business rates.
 - Generate £8.0 million net additional GVA annually to the local economy and an increase in footfall and spending in Bury town centre, supporting local shops, cafés, and services, with estimated gross expenditure of £560,000 per year as estimated by Amion, as more fully detailed within the body of the report.

Alternative options considered and rejected

Dispose the whole site on the open market

13 a – Sale of Property by Private Treaty (via a marketing campaign).
This approach would not provide the certainty of the proposed transaction and would lead to a much longer time for delivery of employment space and therefore the associated jobs.

b – Auction
This approach could provide certainty on disposal timing but would lead to a much longer time for delivery of potential employment space and therefore the associated jobs.

Both routes may lead to a new owner land banking the site which would not bring forward the jobs or business rates for the borough. These factors could be mitigated in a sale contract, but their inclusion could suppress the sale price achievable.

Seek a development partner via a new tender exercise.

14 The Council could proceed with a further tender exercise for a developer to deliver an industrial scheme, however this is unlikely to provide a larger capital receipt.

This route has been explored previously and restarting this process would also be subject to economic impact during the selection/planning period and legal review

It should be noted however that whilst CBRE valued the site at £1.825m there is a risk that during any post-tender period any changes to external economic factors could result in changes in the valuation fundamentals (as has happened in the previous tender exercise) which could negate the potential capital receipt. The Nolan Real Estate report reporting negative land values highlight the sensitivity on land value the key development inputs. Analysis of CBRE's and Nolans' valuation's detailed in the main body of the report

Dispose of the site on plot-by-plot basis.

15. Selling the site as a whole provides economies of scale for delivery which would otherwise not be available if the sites were disposed of in isolation. This disposal method is also subject to the same risks as set out on a whole site disposal above.

Self-develop for industrial use

16. There is significant risk and cost involved in this option. Due to the council resource position (financial and staffing) this has been discounted. This option would also provide a negative return.

Self-develop for office use

17. Financially this would provide an even larger negative return and even if financially viable would provide significant risk and cost to the Council.

Do nothing

18 This option does not provide the economic growth, job opportunities or any capital receipt. There are also ongoing liabilities for holding the land.

Report Author and Contact Details:

Name: Roger Frith

Position: Assistant Director of Corporate Assets and Facilities Management

Department: Place Directorate

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

Background

19 Chamberhall Business Park is located to the Northwest of Bury Town Centre with Harvard Road, the main spine road serving the business park, linking directly to the A56, Peel Way. The A56 forms part of the Bury ring road which provides access to the main arterial routes into the town and access to the M66 motorway at Junction 2 (approx. 1.7 miles) and onto the National Motorway Network.

20 St. Modwen Developments completed the development of the first phase of high-quality light industrial floorspace at Chamberhall. Their scheme has provided over 120,000 square feet of floorspace across 14 units of various sizes and is fully let.

21 Additional development at Chamberhall includes high quality buildings for the Government Chemist (LGC), GM Fire and Rescue Community Fire Station and the GM Police Bury Divisional Headquarters. More recently building merchant MKM have taken a new depot. A small scheme of speculative industrial space is currently under construction at Chamberhall.

22 The final phase of land owned by the authority consists of c.5 acres of net developable land. A tender to procure a development partner was undertaken in 2021 and during this process 6 bids were received (of the bids received 4 were subject to further ground investigation and the two unconditional offers were significantly lower than the conditional proposals).

23 A development partner was chosen however the chosen partner was unable to progress on the terms agreed within the tender due to economic uncertainty and fundamental changes to the financial appraisals carried out at the time and therefore did not proceed to completion.

- 24 In late 2023 CBRE were appointed and carried out a development feasibility study for industrial development on the site. All potential delivery options produced a negative land value. See Appendix 1
- 25 Whilst the site is still part of the Council's Accelerated Land Disposal Program (ALDP) due to CBRE's advice no marketing of the site has since taken place, as construction costs have continued to rise, outstripping any increase in value from increase in rents.

Proposed Sale to Crown Gas & Power Ltd

- 26 In late 2024, Place colleagues were approached by real estate advisors of Crown G&P regarding their office requirement for the area and to ascertain if the council were disposing of any suitable existing properties. The Accelerated Land Disposal Programme (ALDP) programme was reviewed, and no suitable existing building was identified. They also indicated that consideration for a new building office would be considered and Chamberhall was then discussed as a potential location.
- 27 Negotiation took place with Crown G&P and the concept of a land sale to facilitate delivery of the office and provide in the region of 250 jobs for the borough on the edge of Bury Town centre. This will increase economic activity in the town as detailed by the benefits analysis carried out by Amion and detailed in paragraph 51 of this report.
- 28 Crown G&P is part of the successful Crown Oil Group of Companies, which is a local 3rd Generation family-owned business with an annual turnover of more than £1billion and employs over 1500 people. Crown G&P are already significant employers in the borough with offices in the town centre and further offices and workshops in Pilsworth. Crown G&P are also investing heavily in Warth Business Park with the development of a new Adblu production facility.
- 29 Crown G&P has significantly increased its turnover and profitability in the past 3 years and plans to grow that turnover again over the next 5 years. It currently supplies 3% of the UK's commercial mains gas. The proposed office will accommodate up to 250 employees as the business grows over the next 3 years.
- 30 Draft heads of terms have been agreed with Crown G&P for the sale of the site and are set out in Appendix 2. The principal terms are set out in paragraphs 30 – 33 below
- 31 The transaction comprises the sale of 2 adjacent plots of land (plot 1 and plot 2). Plot 1 would be sold at £1 and plot 2 sold at £200,000. A plan showing the 2 plots is in Appendix 3.
- 32 The Development of plot 1 would deliver a 40,000 sqft office building for Crown G&P's own occupation. Development of plot 2 would deliver a multi-let industrial

scheme of around 25,000 sqft. An outline of Crown G&P's Proposals is in Appendix 4.

- 33 The sale will be subject to the receipt of planning permission for the proposed uses. The purchaser will be required to commence development of plot 1 within 12 months of receipt of planning permission. If work has not commenced within the prescribed timetable the council will have the option to buy back the site for £1.
- 34 Plot 2 will be sold for £200,000 however subject to an overage clause which would allow the council to receive an overage payment when the land use provides a value over the purchase price.

Valuation Considerations

- 35 As noted in paragraph 23 above, whilst CBRE carried out a series of feasibility studies in late 2023, which showed that development of the site for industrial use would not be viable, the Council still required updated valuation advice to capture any market changes in the last two years and sale for a proposed alternative use.

Valuation advice - CBRE

- 36 The Council instructed CBRE to provide independent valuation advice on three options. A copy of the valuation report is in Appendix 5.
 - Open Market Value of the whole site.
 - Value for industrial use on Plot 2.
 - Value for office use on Plot 1.
- 37 CBRE's open market valuation for the whole Chamberhall site is in the region of £1.825m. CBRE however stated in the report, that the valuation figure, is subject to a significant number of caveats. Principally, it does not take account of,
 - a. any abnormal site conditions which are expected of a site of this nature which has had numerous historic industrial uses.
 - b. Biodiversity Net Gain costs
- 38 CBRE valued Plot 2 at £200k, which is the same as the agreed sale price.
- 39 CBRE have valued Plot 1 for an office use at £1, as the costs of constructing the building are greater than its completed value.
- 40 The CBRE open market valuation figure of £1.825m for the whole site takes into account various market factors prevalent at the date of the valuation, such as.
 - Rents - £12.50 per sqft

- Yields – 6%
- Interest rates – 6.25%
- Construction costs - £106 per sqft

As these factors can change following the valuation date, CBRE carried out a series of sensitivity tests, which are highlighted in the table below.

Land Value with yield and construction cost changes					
Yield	Construction Costs				
	-10%	-5%	No Change	+5%	+10%
5.5%	£3.725m	£3.31m	£2.9m	£2.48m	£2.07m
5.75%	£3.16m	£2.72m	£2.34m	£1.93m	£1.51m
6%	£2.64m	£2.24	£1.825m	£1.41m	£1.0m
6.25%	£2.18m	£1.77m	£1.36m	£0.94m	£0.53m
6.5%	£1.75m	£1.33m	£0.92m	£0.51m	£0.09m

41 As shown in the table above the notional land value of £1.825m changes significantly with only minor movement in yields or construction costs. A quarter percentage change in yield for example has +/- change of £450k to the land value. A similar analysis with rents and interest rates would have a similar impact on land values as a +/-50p in change in rent has a £700k impact on land values

42 Crown G&P have carried out an initial desktop exercise of the likely additional costs for plot 2, which amounts to £303k on a site area of 1.6 acres. CBRE used these additional costs to assess the value on Plot 2 at £200k. If CBRE had assessed these costs on a pro rata basis on development appraisal for the whole site of 5.3 acres, the value would have reduced to £925K from £1.825m.

Further Valuation Advice - Nolan Redshaw

43 Due to the caveats, contained within the CBRE Valuation, The Council also sought further independent valuation advice from Nolan Real Estate, a Bury based firm who may have more detailed local knowledge than CBRE a national firm. Nolans have based their valuations on detailed development appraisals. With the three options being as follows.

- Value for industrial on whole site.
- Value for industrial use on Plot 2.
- Value for office use on Plot 1.

A copy of the valuation report is at Appendix 6

44 In valuing the whole site Nolan's, carried out a development appraisal, based on an industrial scheme of circa 81,000sqft. The development appraisal produced a negative land value of £1.15m. Nolans have however stated in

their report that this is not an open market unrestricted used valuation as they have made a special assumption based on an assumed industrial scheme.

- 45 Nolan's have stated that whilst their development appraisals show a negative land value for all options, they would value site on an open market basis at figure similar to CBRE and make the same statement that deductions would be required due to BNG and site specific abnormalities.
- 46 Whilst Nolan's have valued the whole Chamberhall site based upon industrial development at -£1,150m, in reality a landowner would not set at such a figure.
- 47 Nolan's have valued Plot 1 for the proposed office development at -£2.59m as the costs of constructing the building are substantially greater than its completed value.
- 48 Nolan's valuation for industrial on Plot 2 is -£338,000, which is below the agreed sale price of £200,000. In addition, an overage provision has been agreed with Crown G&P, whereby council would share in any uplift in value following completion of the development. A similar overage provision was included in the development of phase 1 of the regeneration at Chamber Hall and the council received an overage payment from the developer on completion of the development

Valuation Summary

- 49 Given that two independent valuers have made the same statement associated with an open market land valuation for the whole site, it is highly unlikely that the Council would be able to obtain a true achievable Open Market figure, which takes into account site specific costs, at this time.

Subsidy Control

- 50 The Council is likely to be granting a subsidy to Crown G & P should the transaction be concluded on the proposed terms. This is because each of the four limbs of the test for a subsidy set out within the Subsidy Control Act 2022 appear to have been met as the disposal to Crown G&P appears to be at an undervalue.
- 51 There is some uncertainty about the value of any subsidy, which would be calculated as being the difference between the open market, unrestricted value of the Site, and the disposal price. As discussed above, although the headline figure obtained by the Council from CBRE in its open market, unrestricted valuation of the whole Site is £1,825m (and as broadly confirmed by Nolan Redshaw), both valuers acknowledged that this figure would be subject to deductions for abnormal costs and Biodiversity Net Gain costs and as such costs have not been quantified, officers consider that it is not possible

to confirm an accurate valuation figure for the purposes of determining the value of the subsidy. The subsequent clarification advice from the valuers is included within Appendices 7 & 8.

52 Therefore, the value of the subsidy to be granted to Crown G&P is within a range of £1 to £1.625 million (£1.825million valuation – minus £200k sale price). This will be subject to subsidy assessment.

Economic Analysis and Impact Assessment of Crown Gas and Power Ltd's Proposal

53 To support the proposal, Bury Council has commissioned a detailed economic analysis and impact assessment by Amion Consulting. This considered the delivery of the proposed disposal and subsequent development to 'business as usual' and industrial development scenarios – equating for leakage, displacement, economic multiplier and deadweight effects. A copy of the report is in Appendix 9. The economic and social benefits of the proposed freehold disposal of the Chamberhall site to Crown G&P are as follows:

- Strategic Alignment - The proposed disposal directly supports Bury Council's corporate priority to drive economic growth and aligns with the "Let's Do It!" vision for faster-than-average economic growth and reduced deprivation. The scheme delivers high-quality employment space in a sustainable, accessible location, supporting the Bury Economic Strategy (2024–2034) and the Council's ambition for a fairer, greener, and more competitive economy.
- Economic and Employment Benefits - The development will bring a long-term vacant brownfield site back into productive use, unlocking 7,000m² of flexible employment space for offices and industrial uses. It is projected to support 52.5 gross FTE construction jobs (30 net additional) and deliver a net additional construction GVA of £3.2 million. Once operational, the scheme is expected to create 171 net additional FTE jobs, compared to 90 under an industrial-only scenario, and generate £8.0 million net additional GVA annually, with a cumulative £38.6 million over ten years. In the short run, construction activity will provide temporary construction employment and drive demand within the local supply chain.
- Fiscal and Wider Economic Impacts - The proposed scheme will generate an estimated £310,000 per annum in business rates, compared to £110,000 under an industrial-only scheme.
- The development would strengthen connectivity within the town centre, increasing footfall and boosting employee and visitor spending in local businesses. This is supported by research from the Centre for Cities and British Council for Offices, which states employees typically spend

between £1,300 to £1,800 per annum in their town centre. Taking a mid-point of £1,550, employment supported under the proposed scenario could support gross expenditure of £560,000 within Bury town centre each year.

- The scheme will provide new skills and training opportunities, particularly for young people and those not currently in education, employment, or training.
- Regeneration and Place-Making - The development will enhance the image and attractiveness of Bury, encouraging further investment and improving perceptions of the town. It will strengthen connectivity with the town centre, given its proximity to Bury Interchange, proposed residential developments in the Town Centre Core and will reinforce the Council's vision for vibrant, sustainable, and well-connected town centres. The development provides an opportunity to establish a market for high quality office space within the town which will hopefully lead to establishment of similar developments longer term. The presence of additional office premises within the town centre core will diversify the employment offer in Bury, making it more resilient to economic change.
- Amion justification for disposal at Less Than Best Consideration - While the disposal is at below market value for a potential industrial use, it secures a strategic occupier (Crown G&P) and delivers higher-value employment, stronger town centre linkages, and greater fiscal and economic benefits than alternative scenarios. The proposal supports inclusive growth, regeneration, and long-term value for the borough, justifying Council support for disposal at less than best consideration which could potentially be achieved.

Best Consideration under s.123 of the Local Government Act 1972

54 Local authorities have powers under the Local Government Act 1972 to dispose of land held by it '*in any manner they wish*', provided that the disposal is for the 'best consideration reasonably obtainable'. The disposal must either comply with the terms of the General Consent Order, or a specific consent to disposal will be required from the Secretary of State. Officers consider this disposal complies with the terms of the General Consent Order.

Links with the Corporate Priorities:

1. Development of the site is linked to the Local and Enterprise principles of the Let's Do It Strategy as it provides economic growth opportunities alongside the provision of additional jobs benefiting local people. The development will

provide additional business rates thus providing additional income to the council to provide essential services that serve the community.

Equality Impact and Considerations:

2. Initial EIA screening has shown this proposal will not affect people or service provision as it involves the disposal of an unused site.

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***

When the development scheme is brought forward it will need to comply with the requirements under planning and building regulation legislation which will include both sustainability and biodiversity criteria.

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
Purchaser does not proceed with development of the office building.	Mechanism to be included within legal transfer to enable the council to take back land should the development not progress within a specified timescale.
Purchaser does not get planning permission for the office development	Early and comprehensive pre-application engagement with the planning authority to be undertaken to ensure a smooth planning application process
Biodiversity Net Gain	The development of the site crystallises the cost of Biodiversity Net Gain (BNG) across the site and mitigates any future cost uncertainty for BNG.
Legal Challenge	Expert legal opinion has been sought both on the basis of best value under the provisions of s.123 of the Local Government Act 1972 and implications of the subsidy control regime.

Legal Implications:

To be completed by the Council's Monitoring Officer.

Best Value

55 Local authorities have powers under the Local Government Act 1972 to dispose of land held by it 'in any manner they wish', provided that the disposal is for the 'best consideration reasonably obtainable' unless the authority gets consent from the Secretary of State.

Whether or not the best consideration reasonably obtainable has been obtained in these circumstances is generally evidenced by an open market, unrestricted market value. As a result of the valuation issues described above, officers have been unable to confidently confirm the open market unrestricted value of the Site, but it appears that the Site will be disposed of at an undervalue, with a maximum undervalue of £1.625m. Accordingly, the disposal must either comply with the terms of the General Consent Order, or a specific consent to disposal will be required from the Secretary of State. Officers consider that the disposal complies with the Local Government Act 1972 General Disposal Consent (England) 2003 (also known as the General Consent Order) means that the Council can make a disposal of any land interest where:

- a. the Council considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of the promotion or improvement of the economic, social or environmental well-being of the whole or any part of its area or of all or any persons resident or present in its area; and
- b. has an undervalue of £2m of less.

Officers consider that the disposal complies with the General Consent Order because:

- c. the undervalue is understood to be a maximum of £1.625m which is within that permitted by the General Consent Order; and
- d. the disposal needs to meet 1 of 3 "well-being" objectives (as referenced in the General Consent Order), This proposed sale meets 2 of the objectives as the disposal will secure,
 - the promotion or improvement of economic well-being, and the
 - the promotion or improvement of social well-being;

Accordingly, the disposal may be made in accordance with the General consent provisions.

Subsidy Control

56 This disposal is likely to result in the Council granting a subsidy to Crown G&P under the Subsidy Control Act 2022 as the disposal to Crown G&P appears to be at an undervalue as set out above. Prior to making the decision to award the subsidy and prior to completion of the transaction the Council must undertake an assessment of the subsidy against the Subsidy Principles

(Schedule 1 to the Subsidy Control Act 2022). It may only give the subsidy if it concludes that the subsidy is consistent with the Subsidy Principles.

Provided that, having carried out the appropriate assessment, the Council is satisfied that the subsidy is consistent with the Subsidy Principles, the subsidy can be granted and disposal completed

The award of the subsidy must be recorded on the Transparency Database within 3 months of confirmation of the decision to give the subsidy. The amount of the subsidy must be recorded on the transparency database. Given the uncertainty about the value of the subsidy, the Council will take further advice about how to record the value of the subsidy for the purposes of the database.

Legal advice in relation to any of the related terms and conditions in respect of the disposal of the land will be provided.

Financial Implications:

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

57 The sale of the 2 plots will generate a capital receipt of £0.200m. As the sale of the plots is subject to securing planning permission, the capital receipt is expected to be received in 2026/27. The sale of the plots is assumed in the capital receipts forecast, which will need to be updated to reflect the actual value, subject to approval of this report. The contract for the sale of Plot 2 will include an overage clause, which if triggered, will result in additional income for the Council in the future.

In addition to the capital receipt, the development of the 2 plots is estimated to generate £0.310m p.a. in additional business rates

Appendices:

Appendix 1 – CBRE 2023 Feasibility Study

Appendix 2 – Transaction Heads of Terms

Appendix 3 – Site Plan

Appendix 4 – Crown G&P Vision

Appendix 5 – Valuation Report (CBRE)

Appendix 6 - Development Appraisals (Nolan Real Estate

Appendix 7 – CBRE Clarification note

Appendix 8 – Nolan Clarification Note

Appendix 9 – Economic Analysis and Impact Assessment (Amion Consulting)

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
ALDP	Accelerated Land Disposal Programme
BNG	Bio-diversity Net Gain