

Report to:	EXECUTIVE CABINET
Date:	20 December 2023
Executive Member:	Councillor Jacqueline North – First Deputy for Finance, Resources & Transformation.
Reporting Officer:	Ben Middleton – Assistant Director, Strategic Property.
Subject:	PROPOSAL TO DECLARE ASSETS SURPLUS TO REQUIREMENTS.
Report Summary:	<p>On 30 September 2020, Executive Cabinet approved a policy relating to the disposal of Council owned land and property. The policy was produced to help ensure that:</p> <ul style="list-style-type: none"> - sufficient consultation was carried out prior to a disposal being considered and - any sale was completed in a transparent and fair manner that satisfied the Council’s statutory obligations.
Recommendations:	In accordance with the Disposal Policy, it is recommended that Board approve the proposed list of sites to be declared surplus, following which it will be reported to Executive Cabinet 20 December 2023 seeking approval to declare the schedule of assets set out in Section 2 of this report surplus to the Council’s operational requirements.
Corporate Plan:	The possible, future sale of assets would help contribute to delivering corporate priorities around housing, economic growth and employment.
Policy Implications:	<p>The Council are seeking to declare a number of assets surplus to Council requirements, in accordance with the policy approved by Cabinet on 30 September 2020.</p> <p>Where feasible, in selling any sites in the future, the Council will seek to promote and comply with its Homes, Buildings & Workplaces Action plan – which forms an Appendix to the Council’s Climate Change & Environment Strategy 2021-26.</p>
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	<p>A critical source of funding required to finance the Council’s Capital Programme is capital receipts from the sale or disposal of Council owned land and buildings. Other sources of finance available include Government grants, borrowing (that requires repayment via existing revenue budgets), capital reserves and revenue financing (although due to increasing pressures on revenue budgets, this is no longer viable in many cases).</p> <p>The value of a capital receipt received in any financial year if less than £10,000 per asset will be allocated to the Council’s revenue budget. Any capital receipt that exceeds this de-minimus value will be a corporate receipt to support the funding of the Council’s capital programme.</p> <p>The incidental revenue costs of asset disposals (such as marketing and legal costs) can be offset against the capital receipt up to a maximum limit of 4% of the gross capital receipt (on a case by case basis). Any significant additional costs that are anticipated or</p>

required (such as demolition and site clearance costs) will need to be met from either existing revenue budgets or additional budget approvals, which will result in additional financial pressures in the short to medium term. If site preparation activity is deemed to enhance the future value of the site, then such additional costs may be financed from capital resources. This will minimise the short-term revenue budget pressures but places further demand on the financing requirements of the Capital Programme.

Members are reminded that the Council has limited resources available to fund capital expenditure and the current capital programme, which is based upon receiving capital receipts of £15,410,000, is fully allocated to Council priorities. Careful monitoring of progress in realising these capital receipts must be undertaken throughout the year to ensure that there is a timely and pro-active disposal of assets and that the actual receipts are in line with projections.

The Council's capital programme will be reviewed and updated during 2023/24, in order to ensure that all approved schemes are still required and to include those schemes that are fully funded from external sources.

Any additional priority schemes that are put forward for consideration and that are not fully grant funded will need to be evaluated, costed and subject to separate Member approval. There will be a revenue cost for any new capital schemes that are not fully funded from alternative sources and the implications of this will need to be carefully considered, given the on-going pressures on the revenue budget.

**Legal Implications:
(Authorised by the
Borough Solicitor)**

As set out in the financial implications, capital receipts from the sale of the Council's surplus assets are critical to the overall financial position of the Council.

In addition, the sale of a number of these sites are likely to reduce the costs to the council in keeping them safe and secure and it is anticipated that the disposal of a number of these sites will bring further development to the Tameside area.

The council's Disposal Policy ensures that a robust and transparent process is undertaken when assets are declared surplus to Council requirements, most notably by ensuring consultation with Ward Members.

In due course each disposal will be subject to its own due diligence and decision making to also ensure compliance with section 123 of the Local Government Act 1972.

Risk Management:

The Council has an agreed policy which sets out the mechanism for progressing the potential sale of surplus assets. The policy seeks to ensure that any disposal is carried out in a fair and transparent manner. In adhering to the agreed Council policy, it is anticipated that any risks associated with the sale of surplus land and property is mitigated.

Access to Information:

Confidential

Background Information: The background papers relating to this report can be inspected by contacting Ben Middleton, Assistant Director Strategic Property, Place.



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1. INTRODUCTION

- 1.1 On 30 September 2020, Executive Cabinet approved a policy relating to the disposal of Council owned land and property. The policy was produced to help ensure that:
- sufficient consultation was carried out prior to a disposal being considered and
 - any sale was completed in a transparent and fair manner, which satisfied the Council's statutory obligations.
- 1.2 The policy obliges the Council to consider the potential release of assets in a staged approach, with consideration by the Executive Member (Finance, Resources & Transformation). Once sites have been declared surplus by Executive Cabinet, officers would then seek to dispose of these sites, with the proposed 'route to market' agreed by Asset Management Panel.
- 1.3 In proceeding to dispose of an asset, the Council will generally look to advertise the opportunity on the open market, in order to be transparent and fair. The Council will seek to obtain 'best consideration' for any property sold, underpinned with an independent valuation, in order to satisfy its statutory obligations under section 123 of the Local Government Act 1972. Following the receipt of any offers received for a surplus property, officers will report these formally with recommendations to Asset Management Panel to obtain the necessary governance to progress a disposal.

2. ASSETS TO BE DECLARED SURPLUS

- 2.1 Officers are seeking approval from Executive Cabinet to declare the following assets, detailed below as being surplus to Council requirements. All Ward Members, who have an asset in their Ward which is proposed to be declared surplus, have been consulted week commencing 27 November 2023. Apart from some Members seeking clarification on the process or on details of the Council's ownership, no objections have been received to the proposed disposal of the assets.

Appendix 1 – Land at Peel Street, Audenshaw, M34 5PL (Audenshaw Ward).

- 2.2 This site was previously operated as a Council owned terrace of 27 domestic garages for use by local residents, prior to its demolition c.2010. The site has been left as an area of hardstanding since this time and is used for ad-hoc, unauthorised flyparking. The site extends to circa 928 sq m (0.229 acres), and is identified edged red on the attached plan. It is unallocated in the UDP and is considered to have some development potential, it is recommended for sale by way of auction.
- 2.3 Please note, a small part of the site, shaded yellow on the attached plan, is subject to an encroachment by Audenshaw School who occupy the adjacent building. Whilst Audenshaw School have only started occupying the building more recently, the encroachment is fairly long-standing, with the existing fences looking to have been in situ since prior to 2000. It is recommended that the encroachment is formalised and excluded from the disposal.

Appendix 2 – Land to the rear of 194-202, Astley Street, Dukinfield, SK16 4QD (Dukinfield Ward)

- 2.4 The Council owns an area of land to the rear of 194-202, Astley Street, Dukinfield. Part of the site, hatched blue, has traditionally been laid out as garden land and occupied by the adjoining residents under licence with the remainder of the land either forming an area of naturalised landscaping or part of a larger area of hardstanding.
- 2.5 In October 2003, an area of garden land to the rear of 196 Astley Street, shaded brown, was sold to the licensee. The remaining garden licences currently generate an annual income of £171 for the Authority.

- 2.6 In recent weeks, the Council have been approached by a developer who is seeking to acquire the adjoining land shown shaded pink on the attached plan. The developer is also seeking to acquire the Council's land shaded yellow, to 'merge' this with the land shaded pink and develop a small domestic garage site/area of secure, off-roading parking. In exploring the possibility of selling the Council's land shaded yellow, it would be appropriate for the Council to seek approval to declare surplus the remainder of the site edged red for disposal to the individual garden tenants.
- 2.7 The Council's site extends to circa 347sq m (415 sq yards) and is unallocated in the Council's adopted UDP.
- 2.8 The land may be considered as Public Open Space, and as such, the appropriate advertising would need to be undertaken prior to disposal.

Appendix 3 – Land at Thornleys Road/Broomgrove Lane, Denton, M34 3FT (Denton North East Ward).

- 2.9 The Council owns an irregular plot of land, edged red on the plan, which appears to have been the remnants of site assembly when Thornleys Road was constructed. The Council has previously discussed the possibility of selling the site to the adjoining owner, however, this interest was withdrawn some time ago.
- 2.10 The land is now a potential site for a temporary car park, needed in connection with bridge repairs at the nearby St. Annes Bridge on the M67. Upon completion of the bridge works, and the temporary car park requirement ended, the land is likely to be suitable for a small in-fill residential development. It is therefore considered an appropriate time to declare the land surplus to Council requirements now.
- 2.11 The site extends to approximately 462 sq m (0.114 acres), it is overgrown and unallocated in the UDP. It is recommended to sell by way of public auction.

Appendix 4 – Land adjacent to 70, Union Street, Osborne Terrace, Ashton-under-Lyne, OL6 6HL (St. Peter's Ward)

- 2.12 The Council owns the site of the former residential property at 68, Union Street, which was demolished several years ago. The site has been left as an area of hardstanding but there have been previous issues with fly tipping. The site extends to approximately 114 sq m (1,227 sq ft) and is unallocated in the UDP, as a former housing site, it is considered suitable for redevelopment as an infill residential plot. It is recommended to sell by way of public auction.

Appendix 5 – Cleared site of former 107, Crawford Street, Ashton-under-Lyne, OL6 6TT (Ashton St. Michael's Ward)

- 2.13 For a number of years, the cleared site of the former 107, Crawford Street was included in a garden licence with the owner of 105, Crawford Street. Terms were agreed to sell the site to the owner of 105, Crawford Street in 2017, however the sale did not progress.
- 2.14 Recently, the owner of 105, Crawford Street has contacted the Council to re-open negotiations to purchase the site. It is therefore proposed that the Council seek to declare the subject site surplus to Council requirements, to re-visit a potential sale to the adjacent owner, at open market value, and should this fail, to market the site by way of public auction.
- 2.15 The site comprises the cleared site of the former 107, Crawford Street which was demolished c1970. The site extends to approximately 42 sq m (452 sq ft) and is unallocated in the UDP.

Appendix 6 – Land adjoining 1A Fern Bank, Stalybridge, SK15 2QY (Stalybridge South Ward)

- 2.16 The Council owns an area of open space, identified on the attached plan, which runs from Fern Bank down to Fern Bank Recreation Ground adjoining Grey Street.

- 2.17 Over the past few months, the Council has been working with a resident having a problem caused by the erosion from a watercourse, which runs between the Council's land and land within their private ownership. To assist resolve this issue, the resident has approached the Council to see whether it would be prepared to sell this strip of land.
- 2.18 The land measures approximately 179 sq m (1,926 sq ft), it is part unallocated, and part allocated as Protected Green Space in the UDP. It is recommended that it is declared surplus to enable officers to negotiate a disposal to the resident.

Appendix 7 – Land at New Lees Street, Ashton-under-Lyne, OL6 8HB (Ashton St. Michael's Ward).

- 2.19 The Council owns an area of land off New Lees Street, which has formed part of the adjoining Cedar Park. The land is shown edged red on the attached plan, extends to 782 sq m (0.193 acres) and is allocated as Protected Green Space in the UDP. In recent years (i.e. for the last 10+ years), the land has been 'partitioned' from the main park and has largely been left unmaintained becoming increasingly naturalised. Whilst the area can be accessed by the public, given its existing state, any current use is thought to be minimal.
- 2.20 The Council has recently been approached by a developer who has secured an option to acquire an adjoining area of land identified edged blue on the attached plan. The developer is seeking to redevelop their site, proposing to create a bungalow scheme for elderly residents. However, the developer's site has restricted access, with current vehicular access into the site being extremely limited. As a result, the developer has approached the Council with a view to acquiring the Council's site edged red, in order to provide an improved vehicular access into the adjoining land and support development. The land may be considered as Public Open Space, and the appropriate advertising of such would need to be undertaken prior to disposal.

Appendix 8 – Land at Droylsden Shopping Centre, Greenside Lane, Droylsden, M43 7AD (Droylsden East Ward)

- 2.21 The Council owns a large area of land to the rear of the Concord Suite, which currently provides car parking and ancillary circulation space for the Shopping Centre. It is proposed to seek approval to declare two plots within this ownership surplus to Council requirements, in order to facilitate development for regeneration by the head-tenant (New Era Properties Ltd) of the shopping centre. New Era Properties Ltd holds a lease from the Council of the land edged red, excluding the land in the centre of it edged red, titled Council Offices, (being the former Concord Suite). New Era also owns the freehold of the terrace of retail warehouses to the rear of the centre, numbered A- F.

Plot 1 – Land to the rear of 19-31 Queens Walk

- 2.22 Plot 1 is identified edged blue, and includes the shaded yellow area, which is excluded from New Era's head leasehold interest, and in total extends to approximately 372 sq m (4,002 sq ft) it forms an area of hardstanding and access/service road, which partially serves some of the retail units which front Queens Walk. The access road also served the former Kwik Save food store that was demolished in April 2003.
- 2.23 New Era has recently secured planning permission for the development of '*new Class E Retail and Sui Generis Food Outlet units (22/01067/FUL)*' which is reliant on acquiring the subject site to support delivery.
- 2.24 The developer benefits from formal rights across the Council's land (by virtue of the head-leasehold interest from the Council which would limit the marketability of the subject site to a third party. It does not include the Concord Suite, which was declared surplus by Executive Cabinet in September 2020.

Plot 2 – Former Public Convenience and Market Ground, Market Street

- 2.25 In respect of 'Plot 2', edged green, this site extends to approximately 1,801sq.m (0.444 acres) and currently operates as a pay and display car park.

- 2.26 New Era Properties Ltd have also expressed an interest in acquiring this site, in order to develop either a fast food restaurant or some residential apartments (or a combination of both). Whilst the Council can determine at a later date whether it would be prudent to transact with New Era Properties on a direct basis, as with 'Plot 1' above, the developer enjoys formal rights across the Council's land (by virtue of the land agreements in which they own the adjoining Shopping Centre) which could potentially limit the marketability of the Local Authority land in isolation.
- 2.30 By declaring these sites surplus, It is anticipated that the additional retail units, fronting onto the retained Council car park would increase footfall and support the viability of the shopping centre in the long-term, it will also assist negotiations with New Era properties over discussions on the future of the shopping centre and discussions on their acquiring the former Concord Suite.
- 2.31 Officers are not seeking at this stage to transact with any other party than New Era Properties, as both sites are subject to separate agreements with New Era on part of each.

Appendix 9 – Garden Street Playing Fields, land to the rear of properties on Hickenfield Road, Hyde, SK14 4JE (Hyde Newton Ward).

- 2.32 In September 2020, Executive Cabinet declared an initial batch of assets surplus in accordance with a new disposal policy, which was approved at the same time. This list included the former changing pavilion at Garden Street, edged blue on the attached plan which, following approval of a Community Asset Transfer policy in June 2021, was marketed for a Community Asset Transfer, inviting expressions of interest.
- 2.33 The marketing resulted in the Council receiving two offers, one offer for community sports use and one offer – which was late and received after the tender deadline – for a commercial café. In respect of the community sports interest, it has become apparent that, in addition to the former changing rooms, this interest would be conditional upon the Council also including adjoining playing fields edged red within any future transfer. As the fields have neither been declared surplus nor included in the original opportunity offered by the Council, it would be necessary for the Council to consider declaring the 'adjoining fields' surplus in accordance with its policies, prior to re-marketing the 'enlarged' opportunity to ensure that community groups are aware of the larger opportunity.
- 2.34 The 'adjoining fields' are shown edged red on the attached plan (with the changing pavilion previously declared surplus by Executive Cabinet in September 2020 shown edged blue). These playing fields extend to approximately 4.4 hectares (10.88 acres) and have largely been unused for formal sports use, since the Council stopped marking out these areas c.2007. The land is allocated as Protected Green Space in the adopted UDP, and any leasehold disposal by way of a Community Asset Transfer would include advertising a proposed disposal of the pitches as Public Open Space at the appropriate time.

Appendix 10 - Land at Ashton Hill Lane / New Street / Market Street, Droylsden, M43 7UB (Droylsden East Ward)

- 2.35 The Council own an area of land adjoining the Lazy Toad Public House which, is subject to three small occupations (a car parking agreement with the Lazy Toad and two rights of way to nearby residential properties who use the Council's land for vehicular access to their rear garden), and is primarily used as an un-managed area of informal car parking. The land also comprises an area of un-adopted road, which currently provides access to the Health Centre at 76, Market Street.
- 2.36 The land measures approximately 4,338sq.m (1.072 acres) and is unallocated in the Council's adopted UDP, it sits within the defined Town Centre Boundary. As a result of this allocation, the land is thought to be suitable for a wide range of uses, including residential and retail development. Prior to commencing marketing, it is recommended that an approach to the

GP's surgery is made to forewarn them of the potential disposal, to ensure they are aware of its proposed disposal, as they may wish to acquire part.

Appendix 11 – Toilet Facilities, Hyde Park, Hyde Park Road, Hyde, SK14 4JX (Hyde Newton Ward)

- 2.37 The Council owns the toilet block in Hyde Park, as identified, edged red on the attached plan, which in recent years, they have been opened on a reduced hours basis as part of wider cost saving measures. Whilst the arrangements have generally worked reasonably well – insofar as the toilets are opened more during the summer months when the park is busier – there are some regular park users who feel that the absence of toilet and washing facilities is limiting the attraction of the park.
- 2.38 The Council have been approached by a community group who, have confirmed that they wish to take a lease of the toilets, refurbish them and ensure that they are opened and cleaned on a daily basis. In order to progress this interest, the Council would need to declare the site surplus and the property would need to be advertised in accordance with the Council's Community Asset Transfer policy, in order to understand and approve the detailed business case around the potential arrangements.

Appendix 12 – Land at Moorcroft Street, Droylsden, M43 7YB (Droylsden East Ward)

- 2.39 The Council owns an area of land which is currently subject to a lease to the Cadets where the Council has agreed an early surrender of their leasehold agreement, the land is shown edged red on the attached plan. Upon vacant possession returning to the Council of this interest, it is recommended that the Council declares this site along with the adjacent site edged blue surplus and dispose of both sites.
- 2.40 The combined sites, edged red and blue, extends to approximately 874sq.m (0.216acres). In addition to the area of land to be sold, the land benefits from a right of way over third party owned land, as shown shaded brown. The entire site is unallocated in the UDP and sits within the Town Centre Boundary.
- 2.41 The adjoining Market Street Medical Practice have expressed an interest in acquiring both sites in order to develop an extension to their existing medical facility.

Appendix 13 – Clarence Arcade

31 Clarence Arcade, Ashton-under-Lyne, OL6 7PT (St. Peters Ward)

- 2.42 The property provides c.899m² (9,673 sq ft) of office accommodation located over 3 floors with additional basement accommodation, it is located within Ashton Town Centre forming the end property of Clarence Arcade. The Council acquired the Freehold interest in the property in 2007 for operational purposes, however, the building is no longer fit for purpose with significant backlog maintenance of circa £315,000 and annual running costs of circa £130,000.
- 2.43 The property is in the process of being vacated and with the Council having no operational requirement for the use of the property, it is recommended that the Council disposes of its interest by way of a Freehold disposal or via lease.

Appendix 14 – Denton Centre, Denton, M34 2BW (Denton North-East Ward)

- 2.44 The property comprises c.921m² (9,910 sq ft) of office accommodation within a Victorian single storey brick built former primary school building located on a site measuring approximately 0.36 hectares (0.89 acres). The property is a former school and is located in a predominantly residential area and borders Victoria Park.
- 2.45 The property has been closed as a primary school since 2005 and has been occupied by council services for the past 10 years. Due to the new locality model of working, backlog maintenance and annual running cost liability to the Council, the property is in the process of being vacated and it is no longer required for operational purposes. A condition survey dated 24 July 2020 confirms backlog maintenance works required of approximately £220,000.

Appendix 15 – Land adjacent 33, Ridling Lane, Hyde (Hyde Godley Ward)

- 2.46 This is an area of unused land adjacent to 33, Ridling Lane as outlined in red on the attached plan, extending to 108 sq m (1,162 sq ft). The Council has recently been approached by the adjacent owner, seeking to purchase the land. The Council has no operational use for the site, and it is recommended that it is declared surplus to requirements and placed on the market by way of a freehold disposal.

3 RISKS AND MITIGATION

- 3.31 The report is seeking to declare a number of sites surplus to Council operational use, in accordance with the Disposal Policy approved by Executive Cabinet on 30 September 2020. The policy makes provision for greater consultation to take place within ward members prior to considering the sale whilst also helping to ensure that officers fulfil its statutory duties.
- 3.32 As such, once any assets have been declared surplus, further consideration will be given in relation to the route to market. The appropriate approach to marketing would be approved by Asset Management Panel, in accordance with the Disposal Policy. This consideration would help to ensure that all opportunities are properly advertised where appropriate and competitive dialogue takes place where possible to ensure that the Council obtains best value in accordance with the provisions of s.123 of the Local Government Act 1972. This consideration would also recognise that different sales techniques and methods of disposal would apply for different assets dependent on several variables including, size, location and any level of control that the Council may wish to retain.
- 3.33 Prior to advertising sites, officers will also look to 'de-risk' the opportunities where possible, by providing a range of technical information, which may include survey work and planning statements where appropriate. In seeking to reduce risks to developers, this would help interested parties to maximise the value of any offers made to the Authority and give less opportunities for developers to reduce offers at a later date.

4 RECOMMENDATIONS

- 4.1 As set out at the front of the report.