

Report to:	EXECUTIVE CABINET
Date:	29 September 2021.
Executive Member:	Councillor Oliver Ryan – Executive Member (Finance and Economic Growth).
Reporting Officer:	Jayne Traverse, Director of Growth. Paul Smith, Assistant Director – Strategic Property
Subject:	PROPOSAL TO DECLARE ASSETS SURPLUS TO REQUIREMENTS. (BATCH 2).
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 which satisfied the Council’s statutory obligations.
Recommendations:	In accordance with the agreed Council disposal policy and following consultation with Executive Member (Finance and Economic Growth) and Ward Councillors, it is recommended that the list of assets set out in Section 2 of this report are declared surplus.
Corporate Plan:	The possible, future sale of assets would help contribute to delivering corporate priorities around housing, economic growth and employment.
Policy Implications:	The Council are looking to declare a number of assets surplus in accordance with the policy approved by Cabinet on 30 September 2020.
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 £0.010m 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>Members are reminded that 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 an asset by asset basis). Where significant additional costs are anticipated or required (such as demolition and site clearance costs), these 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</p>

site, then such additional costs may be financed from capital resources. This will minimise the short term revenue budget pressures but places further demands on the financing requirements of the Capital Programme.

The current approved capital programme requires a minimum of £24.3m of capital receipts and reserves. The anticipated level of capital receipts within this sum is £15.4m and is based on the disposal of surplus assets approved by Executive Cabinet on 30 September 2020. There is a forecast balance of £7.2m currently available to finance any remaining capital investment priority schemes.

Earmarked schemes previously included in the capital programme (and not reflected in the aforementioned values) exceeded £40m. With the exception of statutory compliance, all earmarked schemes have now been removed from the programme whilst a review and refresh of Capital Investment proposals is undertaken.

Please see **Appendix 15**

Legal Implications:
(Authorised by the
Borough Solicitor)

The Council must ensure that it complies with its Disposal Policy and all relevant laws when determining that assets are surplus to requirements; and subsequently selling those assets.

Risk Management:

The Council have 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 and in adhering to the policy, it is anticipated that any risks associated with the sale of any Council land and property is mitigated.

ACCESS TO
INFORMATION

CONFIDENTIAL

Not for Publication: This report contains exempt information set out at **Appendix 15** to this report relating to paragraph 9 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended) and in particular any terms proposed or to be proposed by or to the authority in the course of negotiations for a contract for the acquisition or disposal of property or the supply of goods or services.. On balance, under paragraph 10 of Part 2 of Schedule 12A, it would not be in the public interest to disclose this information to the public because disclosure would, or would be likely to, prejudice the commercial interests of the Council, which, in turn, could impact upon the interests of the local taxpayer.

Background Information:

The background papers relating to this report can be inspected by contacting the report author, Paul Smith, Assistant Director - Strategic Property:



Telephone: 0161 342 2018.



e-mail: paul.smith@tameside.gov.uk.

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 and Economic Growth) and Executive Member (Housing, Planning and Employment).
- 1.3 Once sites have been declared surplus by Executive Cabinet then, officers would look to dispose of these sites, with the proposed 'route to market' agreed by the Director of Growth as set out in the Disposal Policy.
- 1.4 In proceeding to dispose of an asset, the Council would generally look to advertise the opportunity on the open market in order to be transparent and fair. The Council would typically look to obtain best value for any property sold, underpinned with an independent valuation, in order to satisfy its statutory obligations under s.123 of the Local Government Act 1972. Following the receipt of any offers received for surplus property, officers would need to report these formally and obtain the necessary governance.

2. ASSETS TO BE DECLARED SURPLUS

- 2.1 Following consultation with the relevant Ward Councillors, the Council are looking to declare the following assets surplus to requirements;

Appendix 1 - Land at Cowhill Lane / Wimpole Street, Ashton, OL6 6EG (St. Peters Ward)

- 2.2 136sq.m (0.03 acres) of vacant land which is unallocated in the UDP. The plot was previously leased to the owner of the adjoining property at 37-39 Wimpole Street (Baileys Hardware Limited) from 1988 and utilised as a customer car park, producing £2,000 per annum until termination on 8 March 2013.

- 2.3 The land has been left vacant since this time and has been subject to 'fly-parking' for a number of years, accommodating approximately 6 cars. As the land adjoins a number of takeaways which front onto Penny Meadow, the Council regularly receive complaints regarding litter on the land. A number of the shops fronting Penny Meadow have previously expressed an interest in acquiring the land although much of this interest is historic.

Appendix 2 - Cleared site of former 31 – 43 Holden Street, Ashton, OL6 9JJ (Ashton St. Michael's Ward)

- 2.4 2,340sq.m (0.58 acres) of vacant land which is understood to be the former siting of residential properties at 31-43 Holden Street. The dwellings were acquired and demolished by the Council c.1970 with the site being left undeveloped since this time. The land is now allocated as Protected Green Space in the UDP

- 2.5 It is understood that the Council previously agreed to sell the land to West Pennine Housing Association (now known as Regenda Group) in May 2003. The Registered Provider wanted to develop supported housing on the site for young mothers although, both local residents and Ward Councillors did not support the scheme and therefore, despite an application being submitted, planning permission was refused. Following on from the planning refusal, the Council landscaped and fenced the land.

Appendix 3 – Land at Lower Bennett Street / Arnside Drive, Hyde, SK14 4PJ (Hyde Newton Ward)

- 2.6 8,897sq.m (2.20 acres) of vacant, part undulating / part sloping land which, is thought to have been acquired by the Council c.1930. The land is unallocated in the UDP.
- 2.7 The Council have assessed the viability of developing the land on a couple of occasions, with issues around the removal of old colliery spoil and shallow mine workings deterring developers. The cost of this remediation was estimated at c. £500,000 in 2000. It is unclear whether the viability of the site has improved in recent years with the improvement of ground remediation techniques but, given the (negative) appearance of the site, any proposal to redevelop the site - with the resultant economic benefits in terms of employment, new housing, Council Tax and New Homes Bonus etc. - should be welcomed even if any sale generates a nominal capital receipt only.
- 2.8 The site has most recently been used (approximately 10 years ago) as a temporary compound by Network Rail, given the proximity of the site to the adjoining railway line.

Appendix 4 - Denton Nursery, Cemetery Road, Denton, M34 6ER (Denton South Ward)

- 2.9 The subject site provides c. 40,000sq.ft of glasshouses on a site measuring approximately 2.27 acres and was previously occupied by the Council's Green Spaces team as a nursery, growing seasonal plants for planting throughout the Borough. However, due to the high managements costs associated with heating the property, the continued use of the site was considered increasingly unviable and the business model changed, with Green Spaces buying in plants (rather than growing their own).
- 2.10 As a result, Green Spaces vacated the property in February 2014 and the Council started to market the site to let via agents Roger Hannah at a quoted rent of £22,500pa. Unfortunately, the marketing produced little interest albeit, in September 2015, despite the planning designation of the asset within the Green Belt, the Council received two unsolicited offers from residential developers. The offers received were both subject to further site investigation and obtaining a residential planning consent.
- 2.11 In support of this, the Council commissioned a site investigation. Whilst an initial desktop appraisal was carried out, the Authority did not continue with the site investigation work for reasons which are not documented on the case file. In more recent years, it is understood that, the Council's Engineers have occupied the site for some storage use in order to maintain a 'presence' on the site and avoid significant levels of vandalism (to the glasshouses). Alternative sites for bin storage have been identified with the service.

Appendix 5 - Former Waterloo Library, Taunton Road, Waterloo, Ashton, OL7 9LY (Ashton Waterloo Ward)

- 2.12 The Library building was vacated c. 2003. The site is unallocated in the UDP and in February 2006, the Council were successful in obtaining an outline planning consent for the demolition of the building and the subsequent redevelopment of the site on a residential basis (05/01556/R3D). Demolition works were completed in February 2006 and whilst a development brief was prepared in 2008 for redevelopment of the cleared site, the site was not taken to the market. The cleared site provides 661sq.m (0.16 acres) of land.
- 2.13 Following on from this, Ward Councillors have sought to determine whether the subject land could be transferred to the adjoining Waterloo Primary School with a view to improving drop off and pick up arrangements. However, in the absence of any funding (from the Council and/or the School), the proposals have not progressed and the site remains vacant.

Appendix 6 - Cleared site of former 154 Mossley Road and cleared site of former 39 Curzon Road, Ashton, OL6 6NA (Ashton St. Michael's Ward)

- 2.14 Two separate plots, which presumably were acquired and demolished by the Council at a similar time. The former 154 Mossley Road measures approximately 89sq.m and the plot at

the former 39 Curzon Road measures approximately 47sq.m and both areas are currently unallocated in the UDP.

- 2.15 The plots are largely flagged and protected by a brick wall or alley gates which controls access. However, both areas have had issues with fly tipping that has need to be removed by the Council in recent years.

Appendix 7 - Land at Raynham Street / to the rear of 1-11 Mount Pleasant Street, Ashton, OL6 9PF (Ashton St. Michael's Ward)

- 2.16 The site is currently subject to 3 garage tenancies producing a total of £300 + VAT per annum. The garages are located to the rear of 1-3 Mount Pleasant Street on a plot of land measuring approximately 137sq.m. There are also 4 vacant garden plots located to the rear of 5-11 Mount Pleasant Street which are largely enclosed by old, damaged fencing. The land suffers from a significant amount of flytipping - potentially from one of the adjoining property owners. The garden plots measure approximately 230sq.m.
- 2.17 Both parts of the site are currently unallocated in the UDP and as the adjoining residents have no interest in occupying the garden land, the Council could look at options around selling the garages to the sitting tenants and selling the garden plots as a small development opportunity.

Appendix 8 - Former 1 and 3 Arlies Street, Ashton, OL6 9QW (Ashton St. Michael's Ward)

- 2.18 Cleared site of former residential properties acquired and demolished by the Council at an unknown date. The site measures approximately 86sq.m, is unallocated in the UDP and therefore likely to have some residential potential in support of a single dwelling. The land is currently cobbled and located behind a brick wall which has assisted in terms of limiting maintenance and flytipping.

Appendix 9 - Former 1 Hulme Street, Ashton, OL6 9PR (Ashton St. Michael's Ward)

- 2.19 Cleared site of former residential property acquired and demolished by the Council at an unknown date. Site measures approximately 50sq.m, is unallocated in the UDP and is likely to have some residential potential in support of a single dwelling. The land is currently concrete flagged and located behind alley gates / metal railings, which has assisted in terms of limiting maintenance and fly tipping.

Appendix 10 - Land off Greenside Lane / Chelwood Drive, Droylsden, M43 7QT (Droylsden West Ward)

- 2.20 The Council have previously looked at the potential of redeveloping a former sports pitch located to the rear of Chelwood Drive and Hales Close, Droylsden for residential purposes. Whilst the Council's landholding is more extensive, the proposed development opportunity was limited to approximately 15,905sq.m (3.93 acres) of the Council's land only.
- 2.21 The land is understood to be a former landfill site and is allocated as Protected Open Space. However, some discussions did take place over the course of a number of years with both the Planning Authority and the adjoining landowner who was looking to work collaboratively with the Council in promoting a more comprehensive scheme involving their adjoining land. This adjoining land is owned by POS Landcare Limited – a specialist ground remediation contractor who are understood to have acquired their land from Greater Manchester Waste Disposal Authority.
- 2.22 The discussions appear to have broken down between the Council and POS Landcare in or around mid-2018 following a disagreement over how any joint proposal would be structured. Whilst the Council can look to resurrect any discussions in the hope of promoting a comprehensive scheme, the Authority can develop its land in isolation, with access available via Greenside Lane.

Appendix 11 – Chapel, Cemetery Road, Mossley, Ashton-under-Lyne, OL5 9PQ (Mossley Ward)

- 2.23 Tameside MBC is the successor to the Local Board for the District of Mossley that acquired the site of Mossley cemetery in May 1878. Subsequently a chapel was constructed on the site, which is now in disrepair and is not required by the Council for its own operational purposes.
- 2.24 The 1878 conveyance contains covenants limiting the use of the property to that of a public cemetery and also includes a covenant on behalf of the original vendor, the Earl of Stamford, of first refusal if the Council chooses to dispose. In this context a disposal would need to be considered with regard to the custom and practice of 1878.
- 2.25 The Council has recently received an enquiry from a local undertaker wishing to use the property as a chapel of rest and it is believed this use is compatible with the user covenant and would bring the property back in to beneficial use, although the property should be marketed to ensure best value / best refurbishment option. It is suggested therefore that the property be disposed of by way of a long lease, say 25 years, limiting the use to those compatible with the freehold income and securing the refurbishment of the property and a longer term income stream to the Council. Consideration should be given to obtaining an insurance policy to cover any alleged breaches of covenant, although the risk is considered small.
- 2.26 If the Council does not dispose then the property will continue to deteriorate and the Council will need either to fund repairs, with no beneficial use to follow, or demolish this asset, which in the medium term will become the only option.

Appendix 12 – Land at Mill Lane, Denton, M34 7RG (Denton South Ward).

- 2.27 In previous years, part of a larger area of Council land at Mill Lane has been occupied by Haughton Green Gardening Society for the storage and retail sale of garden products. The lease was originally granted for a term of 20 years from 1 April 2000 (i.e. expiring on 31 March 2020) and whilst the tenant was allowed to hold over for a short-period, in late 2020, the Council were advised by the tenant that they wished to terminate the agreement and vacate the site. Possession of the site was returned to the Authority on 31 March 2021.
- 2.28 The subject asset measures approximately 4.00 acres and adjoins the vacant, former Two Trees School site, which was previously declared surplus by the Council, along with a number of other education assets on 14 February 2007 as part of the Building Schools for the Future programme. Given the potential for the land at Mill Lane to be sold along with the cleared site of the former Two Trees School, officers have sought to consult with Ward Councillors.

Appendix 13 – Hollingworth Community Centre, Cannon Street, Hollingworth, SK14 8LR (Longdendale Ward)

- 2.29 The Council own the Freehold interest in the subject property, which is currently subject to a lease held by the Trustees of the First Longdendale Scout Group. The lease is held for a term of 20 years from 1 January 2003 (i.e. the lease expires 31 December 2022).
- 2.30 Throughout the term, it has become clear that the Scouts are unable to honour their lease obligations in relation to the property, particularly around repairing obligations. As an example, in recent months, the Council have spent a considerable sum of money on the property, in order to make the building safe and suitable for one off election use. Given the issues, it is proposed that the Council take possession, prior to considering potential Community Asset Transfer to a new group, who will provide wider community use which, would include the Scouts 'hiring' the space for their sessions.

Appendix 14 – Former Hyde Library, Union Street, Hyde, SK14 1ND (Hyde Godley Ward)

- 2.31 It is understood that Hyde Library was opened on the Union Street site in February 1899. In an effort to reduce costs and protect the service, in September 2014, the Council announced plans to relocate the library function into Hyde Town Hall. The library service successfully transferred into the refurbished space in Hyde Town Hall in February 2015.
- 2.32 Retention of any part of the building is likely to be expensive and result in a viability gap which, may either deter partner or private developer interest, or require gap funding (in the form of grant) in order to make any scheme on the site commercially viable. In seeking to declare the subject asset surplus, this would represent the first step in promoting conversion or redevelopment of the derelict property.

3. RISKS AND MITIGATION

- 3.1 The report is seeking to declare a number of sites surplus 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 the Council prior to considering the sale whilst also helping to ensure that officers fulfil its statutory duties.
- 3.2 As such, once any opportunities have been declared surplus, further consideration will be given in relation to the route to market. The appropriate marketing technique would be approved by Director of Growth 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 method of disposal would apply for different assets dependent on several variables including, size, location and level of control that the Council may wish to retain.
- 3.3 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 to the Authority and give less opportunities for developers to reduce an offer at a later date (i.e. 'chip' the price as a result of emerging site issues).

4 RECOMMENDATIONS

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