

Report to:	EXECUTIVE CABINET
Date:	22 June 2022
Executive Member:	Councillor Jacqueline North – First Deputy (Finance, Resources & Transformation)
Reporting Officer:	Ian Saxon, Director of Place.
Subject:	PROPOSAL TO DECLARE ASSETS SURPLUS TO REQUIREMENTS (BATCH 3)
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> <ol style="list-style-type: none"> 1. sufficient consultation was carried out prior to a disposal being considered and; 2. any sale was completed in a transparent and fair manner that satisfied the Council’s statutory obligations.
Recommendations:	That Executive Cabinet be recommended to agree that following consultation with Executive and Ward Members, the schedule 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:	<p>The Council are looking to declare a number of assets surplus 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>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). Any significant additional costs that are anticipated or 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</p>

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 demands on the financing requirements of the Capital Programme.

The current approved Capital Programme requires a minimum of £24,300,000 of capital receipts and reserves. The anticipated level of capital receipts within this sum is £15,400,000 and is based on the disposal of surplus assets approved by the Executive Cabinet on 30 September 2020.

It should be noted that the Council's Capital Programme will be reviewed and updated during 2022/23 for additional priority schemes that will be subject to available funding and separate Member approval.

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

As set out in the financial implications capital receipts from the sale of surplus assets is critical to the overall financial position of the council.

In addition the sale of a number of the sites are likely to reduce the costs to the council in keeping them safe and secure and it is anticipated that a number of sites will bring further development to the Tameside area and thus council tax and/or business rates.

The council's Disposal Policy ensures that a robust and transparent process is undertaken when assets are declared surplus to requirement, 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 ensure that all relevant legislation including section 123 of the Local Government Act 1972 is complied. Further, that there is a strong business case behind each disposal especially where the council has invested to bring the site to market or where there are revenue implications.

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. 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

Not for Publication: This report contains exempt information set out at Appendix 14 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, Mark Prestwich, Senior Surveyor - Estates, Strategic Property, Place.



Telephone: 0161 342 3420.



e-mail: mark.prestwich@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). 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 Place as set out in the Disposal Policy.
- 1.3 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.
- 1.4 A previous version of the subject report was considered by SLT on 30 November 2021 where it was agreed that, in accordance with the Council's disposal policy, officers would look to commence consultation with Members with an updated report including any feedback being brought back to SLT and on through Board to Executive Cabinet. The feedback received as part of the Ward Councillor consultation is set out in Appendix 15.

2. ASSETS TO BE DECLARED SURPLUS

- 2.1 Officers are looking to consult with Ward Councillors in respect to the potential release of the following assets;

Appendix 1 – Land at Craven Street, Droylsden, M43 7UN (Droylsden East Ward).

- 2.2 295sq.m (0.073 acres) of land which has recently been cleared by the Council. Prior to demolition, the site was subject to a lease held by the Primary Care Trust who occupied the property as a temporary surgery, providing healthcare to the local community. Whilst overlooking distances might restrict the potential of the site, the land is unallocated in the UDP and therefore, is thought to have some scope for development.

Appendix 2 – Land adj. 4 Lime Street, Dukinfield, SK16 4NF (Dukinfield Ward).

- 2.3 179sq.m (0.044 acres) of land comprising former, residential properties at 61-67 Church Street. The dwellings were demolished by the Council at an unknown date. In more recent years, the land has become subject to a garden tenancy to one of the adjoining residents, producing an income of £100 (one hundred pounds) per annum for the Authority.
- 2.4 Unfortunately, the tenancy and the licensees' use of the site regularly draws complaints of anti-social behaviour. There have been reports that parties connected to the licensee have been living in the unauthorised summer houses erected on the land and the proposal to terminate the garden tenancy is supported by the Council's Anti-Social Behaviour officers and Greater Manchester Police.
- 2.5 As the site is unallocated in the UDP and it is presumed that the land would have some development potential, in order to remove the nuisance and generate a capital receipt, it is proposed that the Council terminate the tenancy and sell the land in support of a small residential development scheme.

Appendix 3 – Former 237-241 Cavendish Street, Ashton-under-Lyne, OL6 7DS (St. Peters Ward).

- 2.6 Approximately 141sq.m (0.035 acres) of land which comprises the former residential properties known as 237-241 Cavendish Street. The properties were acquired and demolished by the Council c.1980.
- 2.7 A pedestrian right of way was granted to the owner of 30 Blandford Street on 22 September 1983, with this agreement covering the area of land shown hatched blue on the attached plan. For a number of years, the remainder of the site has been used as car parking and access to 41 Dean Street which until recently, operated as Ron Harrison Motor Engineers. This third party use does not appear to have been subject to any formal arrangement.
- 2.8 41 Dean Street is in the process of being sold on the open market and therefore, the sale of this garage property would represent a good opportunity for the Council to regularise the situation by selling its adjoining land and generating a capital receipt.

Appendix 4 - Land at Quarry Street, Stalybridge, SK15 1SJ (Dukinfield / Stalybridge Ward).

- 2.9 134sq.m (0.033 acres) of land forming part of a much larger asset, known in part as Gorse Hall. In recent weeks, an adjoining landowner has approached the Authority with a view to purchasing the subject strip of Council owned land and incorporating this into their adjacent development plot.
- 2.10 The Council's land is allocated as Protected Green Space, with the adjoining, privately owned land unallocated in the UDP. The inclusion of the Council's land within the adjacent plot would 'square up' the development site and make provision for additional car parking to be developed to support the proposed residential redevelopment.

Appendix 5 – Land at Godley Green, Hyde.

- 2.11 The Council as land promoter is promoting the Godley Green Garden Village site for residential development and the area included in the proposed development is as shown edged red on the attached plan. Note there are residential properties within the site which will be excluded and will remain insitu even if the development progresses as envisaged. The majority of the site is privately owned and the Council is seeking to enter into option agreements enabling the acquisition of the site which would only be exercised if planning permission is granted. In addition it is probable that a Compulsory Purchase Order will be required to complete site assembly and this would only be pursued, subsequent to and conditional upon a planning permission being granted, which cannot be guaranteed at this stage.
- 2.12 It is therefore not certain that planning permission will be granted, or the nature of any associated conditions that would be attached to any granted permission, but it is right that further thought be given at this stage to declaring the site surplus in order that the Council is ready to proceed further, in its capacity as land promoter, if it is successful in receiving a viable planning permission.
- 2.13 Cabinet is therefore requested to declare all council owned land within the Godley Green development site surplus, and that this surplus declaration extend to all other land within the redline boundary which is acquired by agreement or Compulsory Purchase. In declaring the site surplus cabinet is asked to note that this could include the assignment of options and the sale of land but that such transactions would only be considered in the context of a successful planning permission (which clearly cannot and should not be considered guaranteed at this stage). In addition any disposal would be subject to the outcome of further deliberation and resolution of the Councils chosen method of development delivery and to the retention of any land required for the Councils operational purses (e.g. recreational, educational or greenspace) which themselves will likely be subject to planning conditions to be clarified in the planning process.

- 2.14 In summary therefore cabinet is asked to declare surplus its interest in the site shown edged red on the plan including any land that may be acquired by Compulsory Purchase and any options to acquire that may be entered into but to note that any subsequent disposal will be subject to separate governance and resolution as to delivery methodology, retention of any land for operational need, and to receipt of planning permission. Planning is clearly crucial, and cannot be guaranteed, but a resolution to declare surplus would be an appropriate step at stage in accordance with the disposals procedure previously adopted by the Council and does not of itself commit the Council to any transactions.

Appendix 6 - Buckley Street / Cheetham Hill Road, Stalybridge, SK15 1TU (Dukinfield / Stalybridge Ward).

- 2.15 858sq.m (0.212 acres) of land that is owned by the Council and registered under title MAN63007. It is understood that the area of land shaded yellow is subject to a right in favour of the owners of 1-23 Cheetham Hill Road and 37-39 Buckley Street which allows the residents to use the area of Council land as a drying ground, free from structures. This area therefore has limited development potential.
- 2.16 However, as the intention is for the Council to dispose of the full area of land edged red (including the area shaded yellow), value would be generated with the inclusion of the unshaded area of land (adjoining 23 Cheetham Hill Road) which comprises the former 25-29 Cheetham Hill Road and the former 35 Buckley Street. This area measures approximately 178sq.m, is unallocated in the UDP and therefore, should be suitable for development in principle.
- 2.17 Whilst any sale would generate a capital receipt, equally importantly, a disposal would also remove the Council's ongoing liability in respect to the area shaded yellow.

Appendix 7 - Droylsden Cemetery, Manor Road, Droylsden, M43 6QA (Droylsden West Ward).

- 2.18 The site comprises part of the former yard and mess facilities used by the Council in connection with the repair and maintenance of the adjoining cemetery. The land and properties have not been used for several years and as a consequence, are in a poor and dilapidated state. It is therefore hoped that, the sale of the subject area, together with the demolition and redevelopment of the cleared site would positively contribute towards the appearance of the cemetery and wider area.
- 2.19 The site itself measures 2,402sq.m (0.594 acres) and is currently allocated as Protected Green Space in the Council's adopted UDP. Therefore, in seeking to bring the site forward for redevelopment, it would be necessary to liaise with the Planning Authority in order to understand what alternative uses could be considered on the site.

Appendix 8 – Stamford Park Conservatory, OL6 6RW (Ashton St Michael's / Stalybridge North Ward).

- 2.20 In June 2019, Executive Cabinet approved plans to demolish the vacant Conservatory building situated in Stamford Park. Shortly after the decision, the Council received a 4,264-name petition from the 'Save Stamford Park Greenhouse Group' seeking to preserve the Conservatory.
- 2.21 Whilst there have been discussions with the group since this time, the Council have not been able to formalise any next steps owing to the absence of a Community Asset Transfer policy. On 23rd June 2021, Executive Cabinet approved a Community Asset Transfer ('CAT') policy which, enables the Council to consider the transfer of assets which have been declared surplus to requirements, to any community organisations which are delivering social and economic benefits in the Borough.
- 2.22 In the case of the Conservatory, in order to facilitate the CAT process, it is therefore proposed that Executive Cabinet seeks to confirm that the Conservatory building is surplus to the

Council's requirements. In doing this, the Council would then be able to activate the CAT policy and advertise the opportunity inviting formal expressions of interest from any community groups, within the prescribed timescales.

Appendix 9 – Land to the rear of 125 Great Norbury Street, Hyde, SK14 1HT (Hyde Werneth Ward).

- 2.23 The Council acquired the above land in 1992 as part of a CPO to facilitate a Hyde renewal area. The Council's adjacent land has either been disposed of to a Housing Association or leased to a community group as a Millennium Green. The land in question remains in Council ownership but is not maintained by the Council. It does though constitute a liability as the Council would have responsibility for claims etc. which may arise from its use, or misuse, which is not monitored or constrained in any way.
- 2.24 There have been recent enquires as to the possibility of a sale or licence of the land and it is proposed that the site be declared surplus and offered for sale to local residents. This approach would reduce the Council's maintenance liabilities, generate a capital receipt and secure an adjacent owner to take responsibility for the site for the longer term. The site extends to approximately 160sq.m (0.040 acres) and is unallocated in the UDP.

Appendix 10 – Land to the rear of Canon Burrows Church of England Primary School, Oldham Road, Ashton-under-Lyne, OL7 9ND (Ashton Waterloo Ward).

- 2.25 In recent months, representatives of Canon Burrows C of E Primary School have approached the Council with a view to acquiring an interest in a grassed area of land to the rear of the School. The land is largely inaccessible, other than pedestrian access being provided along a narrow track from Ney Street approximately 250m away.
- 2.26 The School have paid and sourced their own contractor to maintain the land for a number of years (with maintenance vehicles accessing the land through the school and gates which open up onto the Council's land from the School). However, given issues with dog fouling and safeguarding of pupils, the School have suggested that the continued use of the land is becoming increasingly unviable without the ability to fence the land, which would allow the School – which is located on an increasingly size constrained site – to intensify the use of the site for outdoor play in a safe environment.
- 2.27 In reviewing the potential release of the open space, it has also become apparent that, the Council continue to hold title to an area of land which, for a number of years, appears to have been included within the curtilage of the School site. It is understood that the land was originally incorporated into the School site and used for temporary storage and classroom space which, in 2005, were upgraded to form a 'proper' extension to the school. However, despite extending the School, the land was never transferred from the Council's ownership to the Diocese who own and manage the rest of the adjoining School site.
- 2.28 The Council would therefore like to explore the possibility of transferring up to 10,106sq.m (2.50 acres) of land surplus, that forming the area of land subject to the existing encroachment (i.e. which appears to have been developed as a school extension c.2005) which measures approximately 650sq.m (0.16 acres), an area of open space now being requested by the school to increase outdoor play and sports space measuring approximately 4,700sq.m (1.16 acres) and 4,756sq.m (1.18 acres) of naturalised land which forms a valley to Taunton Brook and would generally have limited value and potentially significant maintenance implications.
- 2.29 The whole of the land identified is designated as Protected Green Space.

Appendix 11 – Land adj. former Clinic, Stamford Street / Trinity Street, Stalybridge, SK15 1JZ (Stalybridge North Ward).

- 2.30 The clinic building fronting Stamford Street was closed in 2004, with the service moving into a new facility nearby. It is unclear if the building was sold by the NHS immediately following

closure but, given the vandalism attracted to the empty building, c.2007, the owner of the property erected timber hoarding around the perimeter of the site.

- 2.31 It is clear from dated images that, in fencing the site, an area of Council owned land off Stamford Street adjoining the Clinic site was incorporated into the development opportunity. The position onsite has remained constant since this time, even following completion of the demolition in early 2013 and replacement of the perimeter fencing in 2015.
- 2.32 The current owner is preparing a new planning application for development of the site and as part of this process, has noted that part of the area fenced within the former clinic demise, is actually owned by the Council. Therefore, in order to try and regularise the situation, in recent weeks, the owner has approached the Authority with a view to purchasing the Council's interest which is registered under title MAN88533. The Council's land extends to 285sq.m (0.07 acres) or thereabouts and is unallocated in the UDP. The land is recognised as being situated in an area liable to flooding and falls within both the conservation and town centre boundaries.

Appendix 12 – Land to the rear of 61-83 (odd) Palace Road, Ashton-under-Lyne, OL6 8HL (Ashton St. Michael's Ward).

- 2.33 In recent months, an area of land off Fern Lodge Drive has been declared surplus by the Council. Having successfully marketed the land, the Council are in the process of reviewing an offer from a residential developer who is currently carrying out some further due diligence prior to fixing the proposed terms of the sale. In looking to progress the offer, the preferred developer has identified an area of nearby land which, they have suggested, would similarly be suitable for residential development. The developer has therefore enquired about the possibility of purchasing this additional area of land as part of the original sale proposals.
- 2.34 From reviewing old plans, it would appear that the land in question was originally developed as a garage site in support of the Council housing constructed on and around Palace Road c.1950. It would appear that the garages were demolished c.1980 with a playground constructed on the cleared site. The playground was similarly cleared approximately 15 years later and the land has been left, largely in a naturalised state since this time.

- 2.35 The only parts of the site which are now in any meaningful use are;
- the strip of land to the rear of the residential houses which, is used by some residents as a means of obtaining vehicular access into the rear gardens and;
 - an area close to the adjoining fishing pond which, is used informally by members of Catch Nature fishing club.

- 2.36 The land to the rear of Palace Road is triangular in shape and measures approximately 5,595sq.m (1.38 acres). The land is allocated in the UDP as Protected Green Space.

Appendix 13 - Former Longdendale Children's Centre, off Spring Street, Hollingworth, SK14 8LP (Longdendale Ward).

- 2.37 This property has been empty since Children Services vacated some months ago. Informal internal consultations have previously taken place (at the end of 2020) to determine if there is any alternative operational requirement for the property which, thus far, has not identified a need. As a result, the revenue budget for the property was subsequently offered and agreed as a potential saving from Q3, 2022/23.
- 2.38 Given the location of the building within a wider school site and its limited access, officers are not advocating a Freehold sale of the property at this time. However, given the potential suitability for use as a commercial nursery or similar, it is proposed that the Council seek to declare the asset surplus so a lease in excess of 7 years can be considered and progressed.

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 Place, who has taken on the role previously assigned to the 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 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.
- 3.3 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 made to the Authority and give less opportunities for developers to reduce offers 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.