

<b>Report to:</b>	<b>EXECUTIVE CABINET</b>
<b>Date:</b>	28 June 2023
<b>Executive Member:</b>	Councillor Jacqueline North, First Deputy (Finance Resources & Transformation)
<b>Reporting Officer:</b>	Julian Jackson, Director of Place.
<b>Subject:</b>	<b>TAMESIDE INTERCHANGE – FINAL LAND TRANSACTIONS</b>
<b>Report Summary:</b>	<p>For several years, the Council has been working in partnership with Transport for Greater Manchester ('TfGM') in order to deliver the new Tameside Interchange.</p> <p>Whilst the Interchange work has been successfully completed and is operational, part of the former bus station site is currently vacant and is not required as part of the scheme. The purpose of the report is to finalise all outstanding land transactions arising in relation to the scheme over the years utilising the Ashton Levelling-Up Funding to support the wider strategic vision for Ashton Town Centre.</p> <p>The purpose of this report is to close down all the outstanding actions on Tameside Interchange and take the project to conclusion where ownership of the land will reflect the as-built position.</p>
<b>Recommendations:</b>	<p>That Executive Cabinet:</p> <ol style="list-style-type: none"> <li>1. Approve the purchase of the former bus station site from TfGM for £150,000, in order to support the wider emerging strategic vision for Ashton Town Centre and;</li> <li>2. Approve the transfer of three small parcels of land to TfGM for £28,000, to give effect to previous arrangements agreed in principle by Executive Cabinet on 28 June 2017 and 7 February 2018.</li> <li>3. It is further recommended that any variations to the terms set out in this report - which are not of a material nature - are delegated to the Director of Place in consultation with the Head of Legal Services and the Executive Member Finance and Resources.</li> </ol>
<b>Corporate Plan:</b>	<p>The strategic importance of the site to the Council relates to its location in a prominent position. The site forms a main gateway into the Town Centre from the new Interchange and rail station with frontage onto Albion Way, and is situated adjacent to Tameside One and The Arcades Shopping Centre. The land being acquired by the Council would have the future potential to contribute to delivering corporate priorities including housing, economic growth and employment opportunities. By ensuring control of this strategically important site the Council will be in a position to better shape and facilitate future development. This supports one of the objectives of the Tameside Inclusive Growth Strategy (2021) to make our Town Centres hubs for living, culture, employment and services, supporting a sustainable retail sector.</p>
<b>Policy Implications:</b>	<p>The proposals support the policy aims and delivery of the Council's Inclusive Growth Strategy (2021). In light of the recent impacts from</p>

the COVID-19 pandemic and the generally poorly performing town centres, the regeneration of Tameside's town centres is essential for a range of social and economic reasons in order to create sustainable communities and thriving and vibrant town centres. The recommendations of this report will assist with the delivery of this objective and will have the potential to bring in new people, inward investment, businesses and jobs.

**Financial Implications:**  
**(Authorised by the statutory**  
**Section 151 Officer & Chief**  
**Finance Officer)**

The report requests approval to purchase an area of land within the Transport Interchange site from Transport for Greater Manchester (TfGM) for the sum of £150,000.

The area of land has had a recent independent valuation (April 2023) that states a value to the Council of £150,000 (**Appendix 3**) which is in line with the proposed purchase price.

It is proposed that the acquisition cost is financed by the £19,870,000 levelling up fund grant awarded to the Council for Ashton Town Centre. The grant award includes a sum of £5,270,000 for the remediation of the Interchange site for future development alongside the redevelopment of the Arcades and Ladysmith Shopping Centre sites that will include private sector investment. The report also seeks approval to complete the land transfer transactions for the remaining areas of the Interchange site. These are retrospective approvals which are required to take the project to completion as the Interchange site has already been completed.

The report provides a summary of the Council's financial contribution to the Interchange site via prior year land transactions that also includes independent valuations of the sites.

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

This report is seeking approval for the purchase of a plot of land by the Council, from TfGM and the sale of council land to TfGM all of which form part of the long standing bus interchange project in Ashton Under Lyne.

The Council has the power to acquire land under the Local Authorities (land) Act 1963, Local Government Act 1972 and the Localism Act 2011.

Further in accordance with good practice an independent valuer's report has been obtained, which is appended to the report. This report confirms that the purchase of the plot represents an appropriate commercial value for the Council to purchase.

Further, the plot of land is being purchased by the Council using funding secured by bidding for levelling up funding. As such the Council has a fiduciary duty to ensure that the funding is spent appropriately particularly in terms of Best Value and acting in a manner that any other business would do when considering this deal.

This duty should be met as the securing of the plot of land by the Council is part of the Ashton town centre master plan as set out in the main body of the report.

With regards to the sale of the smaller parcels of land this report is simply confirming that the previous decision in relation to this transaction is actioned by officers.

**Risk Management:**

The risks are set out in Section 4 of the report.

**Access to Information:**

The background papers relating to this report can be inspected by contacting the report author, Chris Fairbrother, Head of Estates, Strategic Property, Place;



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## 1. INTRODUCTION

- 1.1 On 21 October 2015, Executive Cabinet committed to the principle of the Council assembling the land needed to support the delivery of a new transport interchange by Transport for Greater Manchester ('TfGM'). In addition to incorporating two areas of Council owned land, the land assembly process included the acquisition of an area of land owned by Jigsaw Homes (formerly New Charter), together with a building at Francis Thompson Drive owned by the Ministry of Justice ('MoJ').
- 1.2 Following negotiations on 28 June 2017, Executive Cabinet subsequently resolved to:
  - i. purchase the MoJ facility at Francis Thompson Drive (shown edged yellow on the plan included within **Appendix 1**), together with relocation compensation - equating to a total compensation package of £800,000 - subject to £400,000 of the purchase monies being paid by TfGM.
  - ii. purchase the area of land at Assheton Close (edged red and labelled "2") from New Charter for £15,000;
  - iii. acquire the surplus, residual bus station site (edged green in **Appendix 1**) from TfGM for £1 (one pound) following completion of the adjoining interchange development, with any proceeds from future sale being split equally between the Council and TFGM.
- 1.3 On 7 February 2018, Cabinet received an update on progress, part of which included how the Council would transfer two additional areas of land comprising 0.221 acres of land at Freedom Gardens for £5,400; and 0.181 acres of land at the rear of the former Probation Services building for £7,600. These areas are shown edged red on the plan included within **Appendix 1** and labelled "1" and "3" respectively. Taking into consideration the previously approved purchase of the land at Assheton Close (para 1.2 ii above), the cumulative value of these three areas of land to be transferred is £28,000, which was the amount reported within the summary of approved scheme costs in the report approved by Executive Cabinet.
- 1.4 On 27 October 2021, it was announced that the Council's bid to the Levelling Up Fund (LUF) for Ashton Town Centre had been successful and the Council has secured an allocation of £19,870,000. The bid and the specific interventions proposed within it have been prepared in the context of an emerging wider strategic vision for Ashton Town Centre. The interventions proposed are critical to unlocking the comprehensive redevelopment of the Town Centre, and completing of the final phase of Vision Tameside. The LUF bid includes an allocation of £5,270,000 for the remediation and service diversion works to the former transport interchange site and works to unlock the site for future development alongside further private sector investment and change at The Arcades and Ladysmith Shopping Centre sites.

## 2. CURRENT POSITION

- 2.1 The Interchange works were completed in August 2020 although notwithstanding the previous cabinet resolutions, the transfer of the three parcels of land and acquisition of the former bus station site have not been completed.
- 2.2 With regard to the proposed acquisition of the former bus station site, in February 2021 TfGM tabled a revised deal whereby:
  - a) TfGM would either pay the Council a capital receipt of £150,000 to relinquish it's interest in the site and enable TfGM to progress a disposal entirely at their discretion; or alternatively
  - b) TfGM would transfer the site to the Council for a £1, subject to an overage with TfGM receiving 50% of Market Value at the point of a future sale, or in the event the Council failed to sell the land within a 10 year period, 50% of the Market Value at that time.

- 2.3 Dealing briefly with each proposal in turn, due to the strategic importance of the site and its close proximity to Tameside One and the main Ashton Shopping centres, it would be difficult for the Council to justify relinquishing control. Similarly, in proceeding with the second alternative, the inclusion of an overage would result in the need for the Council to engage in further negotiations with TfGM in the future. As neither alternative was considered tenable and following receipt of the Levelling-Up Funding, with the opportunity to utilise this external funding the preference would be to buy the former bus station site unencumbered. In response TfGM have confirmed they require a price of £150,000 to proceed on that basis
- 2.4 To help clarify the existing Market Value of the former bus station site and its worth to the Council as special purchaser, Lambert Smith Hampton were asked to provide an RICS Red Book Valuation reporting Market Value, recognising the Council's interest. The valuation is included in **Appendix 2** and reports a value of £150,000. This valuation matches the value placed on the land by TfGM.
- 2.5 TfGM have advised they have obtained the necessary governance and authority to proceed on the basis set out in this report.

### 3. KEY POINTS

- 3.1 In accordance with a resolution by Executive Cabinet on 7 February 2018, the Council have committed to transfer assets (as shown edged red on the attached plan) to TfGM for £28,000 (i.e. £5,400, £15,000 and £7,600) and this will be completed as part of the final land transactions to regularise the site assembly.
- 3.2 The proposed acquisition of the former bus station (edged green) has strategic importance to the Council to secure ownership. The area of land has had a recent independent valuation (April 2023) that states a value to the Council of £150,000 (**Appendix 2**) which is in line with the proposed purchase price.
- 3.3 The strategic importance of the site to the Council relates to its location in a prominent position. The site forms a main gateway into the Town Centre from the new Interchange and rail station with frontage onto Albion Way, and is situated adjacent to Tameside One and The Arcades Shopping Centre. The development of the new Interchange and Tameside One have delivered major regeneration in the Town Centre as part of the Vision Tameside programme. The site is now vacant and represents a future regeneration opportunity that is complementary to the investment delivered to date. In the longer term there is potential for future redevelopment of The Arcades and Ladysmith Shopping Centres for a wider mix of uses, including residential, that better reflects national trends and changing role of town centres. By ensuring control of this strategically important site the Council will be in a position to better shape and facilitate future development. This supports one of the objectives of the Tameside Inclusive Growth Strategy (2021) to make our Town Centres hubs for living, culture, employment and services, supporting a sustainable retail sector.
- 3.4 The Council has a power of general competence detailed in Section 1 of the Localism Act 2011. This is subject to not being enabled to do anything prevented by a prohibition, restriction or limitation by other laws. The proposals to acquire the land from TfGM on the terms requested would include the use of the general competence power. This power is widely drafted in legislation and the regeneration benefits and potential wellbeing generated from any future redevelopment of the former bus station site would provide scope for the Council to make use of the power.
- 3.5 The power has to be exercised reasonably and in a public law context of taking into account all relevant matters, disregarding irrelevant matters, acting in good faith and not acting in such a way that no reasonable local authority would act. Therefore, in considering the recommendations to acquire the former bus station site on the terms requested, Executive

Cabinet members would need to balance the regeneration and potential well-being benefits of the proposals against the financial assessment and risks highlighted. Executive Cabinet would need to be mindful of the risks outlined and be satisfied that the exercise of the powers and to take the decision is compatible with the fiduciary duty owed to citizens.

- 3.6 By virtue of Section 120 of the Local government Act 1972, the Council has the necessary statutory powers of acquisition to acquire the former bus station site from TfGM to enable the Council to achieve its objectives. The valuation issue highlighted and steps that have been taken to mitigate this and the reasoning behind the decision contained in the body of the report is noted. Requisite due diligence in terms of the deal and the structure will need to be carried out and advice followed as to how best to protect the Council's interests.
- 3.7 A summary of the relevant powers the Council can use is as follows:
- Local Government (Contracts) Act 1997 Section 1 – power to contract for the purpose of its functions.
  - Local Authorities (land) Act 1963 – powers to develop land for the benefit or improvement of their area.
  - Localism Act 2011 – general powers of competence.
  - Local Government Act 2003 section 12 – power to invest for any purpose relevant to its functions under an enactment.
  - Local Government Act 1972 section 111 – power to do those things that are incidental or conducive to the performance of its functions.
  - Local Government Act 1972 Section 120 – power to acquire property.
- 3.8 In addition to establishing powers the Council must also have regard to its duties whether relating to general public law duties such as:
- Wednesbury reasonableness
  - Rationality of decisions
  - Due process
  - Fiduciary duties – when making a decision the Council must properly consider the available options to determine which is the best means of delivering its functions having regard to the effectiveness of the option to deliver its proper objectives and the commercial, financial, risks and legal implications of each option.
  - Statutory duties – for example, rights under the Human Rights Act, securing best value, consultation, securing wider, social, economic and environmental benefits.

## **4. RISKS**

- 4.1 It must be noted, that the proposals set out in this report are commercial property transactions with third parties and as such, there will always remain the usual commercial risk of parties not reaching agreement on detailed terms. This risk remains manifest up until completion of the particular transaction that relevant pre-conditions may not be satisfied and completion may not take place, notwithstanding there may be adverse legal and commercial consequences. Council officers will always strive wherever possible to prevent and mitigate this risk.

## **5. RECOMMENDATIONS**

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