

Report to CABINET

Oldham Property Partnerships – North Bank Redevelopment Reconciliation (Failsworth West)

Portfolio Holder: Cllr Sean Fielding – Leader and Cabinet Member for Economy and Enterprise.

Officer Contact: Emma Barton – Director of Economy.

Report Author:

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Reason for Decision

The purpose of the report is to provide an overview of a reconciliation relating to the development of the North Bank at Failsworth District Centre by Oldham Property Partnerships.

Recommendations

It is recommended that the contents of the report are noted only, with a further report, setting out the full implications to be discussed under Part B of the meeting.

Oldham Property Partnerships – North Bank Redevelopment Reconciliation (Failsworth West)**1 Background**

- 1.1 On 27 January 2010, Cabinet resolved to enter into an agreement with Oldham Property Partnerships ('OPP') for the developer to acquire an area of Council owned land in Failsworth District Centre (known as 'the North Bank'). The approved report set out the basis as to how the land value would be calculated, with the capital receipt due to the Council only becoming known once the scheme had been completed and (a) the completed development value known along with (b) the costs of construction.
- 1.2 The legal agreement completed on 15 April 2010 obliged OPP to complete a series of works. OPP were also asked to project manage the Failsworth Town Hall extension and refurbishment together with conversion of the former Library in Main Street (which was being adapted, in part, for use by Jellybabies children's nursery who had previously occupied the Community Centre in the District Centre).
- 1.3 Planning permission for the development was originally approved by the Council in its capacity as the local planning authority on 2 September 2009 (PA/056682/09). Several alterations to the original planning permission were approved by the Council on 20 January 2011 (PA/59031/10).
- 1.4 In terms of the completed development value, the Council and OPP both appointed independent professional valuers, with the Council appointing Jones Lang LaSalle ('JLL') and OPP appointing Lambert Smith Hampton to act on its behalf. In terms of the costs of construction, the Council appointed an independent QS to verify the costs which OPP claimed had been incurred in completing the development.

2 Current Position

- 2.1 Terms have provisionally been agreed with OPP and approval is therefore being sought in order to accept the terms of the agreement. In the event that Council approval is forthcoming, the Authority would then look to remove the benefit of a restriction from the title to the land.

3 Options/Alternatives

- 3.1 There are a number of options available to the Council and these can be summarised as follows;
- Do Nothing
 - Seek to dispute the offer from OPP
 - Agree the settlement being proposed by OPP

4 Preferred Option

- 4.1 It is recommended that the Council seek to agree terms with OPP which would allow the Authority to receive its capital receipt and avoid the need for lengthy dispute resolution.

5 Consultation

- 5.1 None.
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- 6 **Financial Implications**
- 6.1 These are detailed in the report due to be considered under Part B of the meeting.
- 7 **Legal Services Comments**
- 7.1 These are detailed in the report due to be considered under Part B of the meeting.
8. **Co-operative Agenda**
- 8.1 None.
- 9 **Risk Assessments**
- 9.1 None.
- 10 **IT Implications**
- 10.1 None.
- 11 **Property Implications**
- 11.1 These are discussed in the report.
- 12 **Environmental and Health & Safety Implications**
- 12.1 None.
- 13 **Equality, community cohesion and crime implications**
- 13.1 None.
- 14 **Equality Impact Assessment Completed?**
- 14.1 No.
- 15 **Key Decision**
- 15.1 Yes
- 16 **Key Decision Reference**
- 16.1 ECEN-08-16
- 17 **Background Papers**
- 17.1 None.
- 18 **Appendices**
- 18.1 None.
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