

Report to CABINET

Meridian Development Company: Land and Property at Meridian Centre and Crossbank Street, Primrose Bank [Werneth]

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

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24 February 2020

Reason for Decision

The purpose of the report is to provide information relating to a Council owned joint venture and its landholding in and around Crossbank Street, Primrose Bank.

Recommendations

Cabinet is asked to note the contents only, with a further report, providing a full overview and the detailed implications to the Council due to be considered under Part B of the agenda.

Meridian Development Company: Land and Property at Meridian Centre and Crossbank Street, Primrose Bank [Werneth]

1 Background

- 1.1 In 1995, Oldham Council setup the Meridian Development Company with private sector partners Interurban Limited. In setting up the joint venture, Oldham Council acquired an interest in the Meridian Business Centre and used the company to develop Saddleworth Business Centre which was completed in 1998 using European Regional Development Funding. The joint venture was established in such a way that the agreement of all shareholders is required in order to facilitate any changes to the company structure.
- 1.2 In 2001, further grant funding was obtained and the company acquired and developed the first phase of Albert Mill, Hollinwood. In order to facilitate the development of second phase of the Albert Mill site, a separate company involving the Council - the Meridian Estates Development Company - was set up. This second company had to be established because one of the shareholders in the original company had died and his descendants did not want to participate in developing Phase 2 of the site. The shareholding in the new company was split between the Council and the two private shareholders.
- 1.3 The two private sector partners are keen to retire and sell their shares. In order to gain control of the Meridian Centre and surrounding land, it has previously been acknowledged that the Council would be keen to purchase the assets held by the JV companies.

2 Current Position

- 2.1 In March 2018, Meridian Development Company completed the development of new premises on behalf of FCHO and completed the sale agreement, which in turn confirmed an appropriate value that could be achieved in the area.
- 2.2 During the development period, the Company were also successful in obtaining other interest from parties keen to develop the vacant land and occupy the Meridian Centre itself. The values discussed with the interested parties has actually been in excess of the values achieved as part of the FCHO transaction – with some interested parties happy to pay a premium in order to be located within the Primrose Bank / Ashton Road area.
- 2.3 In the hope of progressing matters, the Council have procured a valuation of the Company assets and this valuation report has now been received. Due to their increasing years and the need to remove themselves from the Company and ‘retire’ the private sector shareholders have suggested that they would be prepared to consider a sale at the values identified in the independent valuation report.

3 Options/Alternatives

- 3.1 There would be a series of options available and these can be summarised as follows;

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- Do Nothing
 - Offer the opportunity for sale on the open market
 - Proceed to acquire the assets held by the company based on the recently secured valuation

4 Preferred Option

4.1 In accordance with the previous discussions, it is considered preferable for the Council to acquire the assets held by Meridian and Interurban.

5 Consultation

5.1 The proposal for the Council to acquire and assume full control of the assets held by Meridian and Interurban was formally discussed by Cabinet in July 2015. More recently, the proposal has been further discussed with the Leader and Cabinet Member for Economy and Enterprise at the briefing in March 2019.

6 Financial Implications

6.1 The full financial implications are outlined in a further report, due to be considered as a Part B agenda item as, it relates to the financial and business affairs of the Council and a third party.

7 Legal Services Comments

7.1 The full legal implications are outlined in a further report, due to be considered as a Part B agenda item.

8. Co-operative Agenda

8.1 None.

9 Human Resources Comments

9.1 Not applicable.

10 Risk Assessments

10.1 None.

11 IT Implications

11.1 None.

12 Property Implications

12.1 The full property implications are outlined in a further report, due to be considered as a Part B agenda item.

13 Environmental and Health & Safety Implications

13.1 None.

14 Equality, community cohesion and crime implications

14.1 None.

15 **Equality Impact Assessment Completed?**

15.1 No.

16 **Key Decision**

16.1 Yes.

17 **Key Decision Reference**

17.1 ECEN-21-18

18 **Background Papers**

18.1 None.

19 **Appendices**

19.1 None.