

Report to CABINET

Disposal of land known as ‘Plateau 1’, situated between Salmon Fields and Turf Lane, Royton [Royton South]

Portfolio Holder:

Cllr Sean Fielding, Leader and Cabinet Member for Economy and Enterprise

Officer Contact:

Helen Lockwood, Deputy Chief Executive – People and Place

Report Author: Mark Prestwich, Principal Development Surveyor
Ext. 1660

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Reason for Decision

The purpose of the report is to provide an overview of the offers received by the Council following the recent open market advertisement of a Council owned opportunity at Salmon Fields, Royton.

Recommendations

It is recommended that the Council seek to enter into an agreement subject to the provisionally agreed heads of terms detailed in the report in the restricted part of this agenda.

Disposal of land known as 'Plateau 1', situated between Salmon Fields and Turf Lane, Royton [Royton South]**1 Background**

- 1.1 The Council own an area of land at Salmon Fields, Royton (as shown edged red on the attached plan – Appendix One). The land measures circa 5.69 acres and forms part of Asset 2048. Whilst identified as a development opportunity, the site has been left vacant for a number of years, following the expiration of an option agreement with Northwest Industrial Limited.
- 1.2 In order to promote the site as a development opportunity again, in December 2017, the Council cleared all vegetation and shrubbery from the land. In addition, in January 2018, the Council agreed to advertise the potential loss of open space (<http://decisionrecording.oldham.gov.uk/ieDecisionDetails.aspx?ID=3182>). This statutory advertisement resulted in the Council receiving no objections and following the expiry of the objection period, in June 2018, the Council agreed to market the opportunity for sale (<http://decisionrecording.oldham.gov.uk/ieDecisionDetails.aspx?ID=3349>).

2 Current Position

- 2.1 Due to the relatively specialist nature of the industrial and logistics market, coupled with the potential interest from national operators, the Council appointed Manchester-based agents, Haughton Warburton, to market the site.
- 2.2 Marketing commenced in June 2018, with interested parties asked to submit an initial expression of interest in the opportunity. With sufficient interest generated by the Council and the third party marketing agents, a closing date for offers based on fixed heads of terms was set in August 2018. The marketing exercise produced 10 offers.

3 Options/Alternatives

- 3.1 There would be a range of options available to the Council and these are set out below;
- 3.2 Do Nothing - The Council could choose to do nothing and not accept any of the offers received. In proceeding with this approach, the Council would fail to generate a capital receipt, fail to facilitate development of the land and therefore miss any potential jobs and rates income that would otherwise be generated from a completed development.
- 3.3 Sell to any of the interested parties - Alternatively, the Council could choose to accept any of the offers received. In proceeding with this approach, whilst the Council would be facilitating development, the Authority could potentially fail to maximise the capital receipt. Under s.123 of the Local Government Act 1972, the Council are under a statutory obligation to obtain best value for any assets sold.

Sell to the party submitting the highest financial offer

- 3.4 Alternatively, the Council could choose to accept the offer submitted by the party submitting the highest financial offer. In proceeding with this approach, the Council would not only facilitate development, employment opportunities and potential business rate income, but also maximise the initial capital receipt received by the Authority.
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4 **Preferred Option**

4.1 It is considered preferable for the Council to accept the bid submitted by the party offering the highest financial offer.

5 **Consultation**

5.1 Officers have carried out a significant amount of consultation and this can be summarised as follows;

- Briefed Ward Councillors (from both Royton North and Royton South Wards) at regular intervals. As a result of such briefings, officers have amended the sales terms to reflect any concerns about the proposed development moving forward.
- Mailshot local residents prior to any marketing being undertaken.
- Advertised the proposed loss of open space in accordance with the Council's protocols.
- Openly marketed the site for sale, utilising the services of a third party agent in order to maximise the exposure of the opportunity.

5.2 In addition, moving forward, upon the Council entering into an agreement with the developer, it would be necessary for a planning application to be submitted. Any planning application would also be subject to statutory consultation by the Planning Authority, including site notices and a further letter drop to residents adjoining the site.

6 **Financial Implications**

6.1 These will be provided in the report to be considered in the restricted part of this agenda.

7 **Legal Services Comments**

7.1 By virtue of Section 123 of the Local Government Act 1972, the Council has the necessary statutory powers of disposal.

7.2 On a disposal of its land under Section 123, the Council is under a statutory obligation to obtain the open market value of the interest and best consideration that can reasonably be obtained unless the consent of the Secretary of State is obtained or an exemption applies. A tender process has been carried out which satisfies this obligation.

7.3 The Report author has confirmed that the Council's Land and Property Protocols have been observed. (Rebecca Boyle)

8. **Co-operative Agenda**

8.1 None.

9 **IT Implications**

9.1 None.

10 **Property Implications**

10.1 These will be provided in the report to be considered in the restricted part of this agenda.

11 **Environmental and Health & Safety Implications**

11.1 None.

12 **Equality, community cohesion and crime implications**

12.1 None.

13 **Equality Impact Assessment Completed?**

14.1 No.

14 **Key Decision**

14.1 Yes.

15 **Key Decision Reference**

15.1 ECEN-12-18

16 **Background Papers**

16.1 None.

17 **Appendices**

17.1 None
