

## **Report to CABINET**

# **Acquisition of third party interest in Oldham Property LLP – Acquisition of former Sainsbury’s, Bloom Street, Oldham Town Centre [Coldhurst]**

### **Portfolio Holder:**

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

### **Officer Contact:**

Helen Lockwood, Deputy Chief Executive – People and Place

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**Ext. 4120**

**19 November 2018**

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### **Reason for Decision**

The purpose of the report is to outline details of the proposal for the Council to enter into a land swap which would see the Authority acquire the third party interests held by The Brookhouse Group (‘Brookhouse’) in the assets owned by Oldham Property LLP (‘OPLLP’). A number of surplus, Council owned assets – which are thought to have an equivalent value – would be used in exchange.

The report also provides details of the proposal for the Council to enter into an agreement with the Department of Education (‘DfE’) to lease the assets previously held by OPLPP for the purposes of a new secondary school.

### **Recommendations**

Cabinet are asked to note the proposals at this stage only, with a further report – which provides full details including the financial implications to the Council – to be considered in the restricted part of this agenda.

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**Acquisition of third party interest in Oldham Property LLP – Acquisition of former Sainsbury's, Bloom Street, Oldham Town Centre [Coldhurst]****1 Background**

- 1.1 Oldham Property LLP ('OPLLP') is a 50/50 joint venture company involving both the Council and The Brookhouse Group ('Brookhouse'). -The company was formed in February 2013 and originally setup to acquire the former Sainsburys store. Following acquisition, OPLLP entered into a car parking agreement with Euro Car Parks who operated the previous foodstore car park as a pay and display opportunity, generating an income for the company.
- 1.2 In July 2013, OPLLP also acquired a vacant property at 11 Slater Street (as shown edged blue on the attached plan) prior to demolishing the building in the following months. This area has been left vacant and fenced following its clearance.
- 1.3 In addition to the above mentioned purchases, in anticipation of providing a comprehensive redevelopment of the area, OPLLP have exchanged contracts to purchase the Council owned, former Trans-Web property (edged yellow) and a landscaped area fronting Manchester Street (edged brown). Whilst contracts for the former Trans-Web site were exchanged in September 2017 – with the Council legally bound to transfer the site to OPLLP for an independently verified sum – it has not been possible for either the Council nor OPLLP to complete the agreement due to an ongoing delay in receiving final sign off from Homes England who, originally (through their predecessors, the North West Development Agency) provided the Council with grant funding to complete the initial purchase of the Trans-Web site.
- 1.4 In November 2017, OPLPP secured planning permission (PA/339744/17) for the comprehensive redevelopment of the area, with authority granted for a new;
- A1 retail unit providing up to 90,000sq.ft of floorspace;
  - A detached pod unit to provide A1 retail, A3 restaurant or A5 takeaway uses providing up to 2,000sq.ft of floorspace;
  - A twelve-level multi-storey car park providing up to 376 parking spaces and associated ground parking (up to 196 spaces).
- 1.5 Following on from the grant of planning permission, in recent months, OPLLP have completed the demolition of the former Sainsburys store – which has allowed the amount of pay and display car parking to be extended.

**2 Current Position**

- 2.1 In recent months, a local education provider has been working with officers from the Council in order to explore options for the possible development of a new, centrally located secondary free school.
- 2.2 Council officers have identified a number of sites and offered three potential sites to the education provider, which includes Bloom Street.
- 2.3 The land in and around Bloom Street provides the opportunity to provide a development within an existing, centrally located education quarter that benefits from excellent public transport links. Following the acquisition of any interests held by Brookhouse, the Council would own an area of land measuring 4.64 acres with the further potential to increase this area through road closures.
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- 2.4 In addition to the main Bloom Street site, this opportunity would also be able to utilise the facilities at West End Street (Asset 3135) which provide an additional 2.56 acres of currently underutilised sports and changing facilities which lie less than 400 metres away. In view of this, in recent months, officers have sought to engage with its partner in OPLPP – Brookhouse – with a view to acquiring their third party interest in the properties held by the company.
- 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 acquire the Bloom Street site based on Market Value only
  - Make a cash payment based on the Brookhouse valuation
  - Dispose of a number of existing Council assets as a cash equivalent to the Brookhouse valuation
- 4 Preferred Option
- 4.1 Given the desire to acquire a contractual right for the Council to assemble Bloom Street if required, it would be preferable for the Council to proceed to acquire the interest held by Brookhouse utilising a number of Council assets in exchange.
- 5 Consultation
- 5.1 None.
- 6 Financial Implications
- 6.1 These are fully detailed in the report to be considered in the report in the restricted part of this agenda.
- 7 Legal Services Comments
- 7.1 These are fully detailed in the report to be considered in the report in the restricted part of this agenda.
8. Co-operative Agenda
- 8.1 The Council are seeking to work co-operatively with a local education provider to deliver a new secondary school which, will aim to be multi faith and deliver the same high standards as their other education establishments. The school will help to satisfy increasing demand for secondary school places within the Borough.
- 9 Education and Early Years Comments
- 9.1 These are fully detailed in the report to be considered in the report in the restricted part of this agenda.
- 10 Property Implications
- 10.1 These are fully detailed in the report to be considered in the report in the restricted part of this agenda.
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- 11 Procurement Implications
    - 11.1 The Council is not purchasing a product or service, with the report relating to a land and property transaction only.
  - 12 Environmental and Health & Safety Implications
    - 12.1 None.
  - 13 Equality, community cohesion and crime implications
    - 13.1 If implemented, the proposals would seek to develop a multi faith secondary school within the heart of the Borough.
  - 14 Equality Impact Assessment Completed?
    - 14.1 No.
  - 15 Key Decision
    - 15.1 Yes
  - 16 Key Decision Reference
    - 16.1 ECEN-14-18
  - 17 Background Papers
    - 17.1 None.
  - 18 Appendices
    - 18.1 None
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