

PROPERTY GROWTH FUND SUB-COMMITTEE

MINUTES OF MEETING Tuesday, 28 January 2020

PRESENT: Councillor Brett (Chair), Councillor Heakin (substituting for Councillor Daalat Ali) and Councillor Rowbotham

OFFICERS: N. Thornton (Director of Resources), J. Searle (Director of Economy), D. Bowler (Assistant Director – Neighbourhoods), M. Liu, L. Rickell and J. Taylor (Economy Directorate), M. Ashworth and A. James (Resources Directorate)

22 APOLOGIES

Apologies for absence were received from Councillor Daalat Ali and Councillor Dearnley.

23 DECLARATIONS OF INTEREST

There were no declarations of interest.

24 URGENT ITEMS OF BUSINESS

There were no urgent items of business.

25 MINUTES

Resolved

That the Minutes of the meeting held on the 5th November 2019 be approved and signed as a correct record.

26 EXCLUSION OF PRESS AND PUBLIC

Resolved:

That the Press and Public be excluded from the meeting during consideration of the following item of business, in accordance with the provisions of Section 100A (4) of the Local Government Act 1972, as amended.

27 LAND AT BONSCALE CRESCENT, LANGLEY, MIDDLETON

The Sub-Committee considered the report of the Director of Economy which advised on the offers received for the disposal of the site at Bonscale Crescent, Langley for residential development.

Alternatives considered:

The alternative bids were summarised within the submitted report.

Resolved:

1. That the conditional offer received from Lovell Homes as detailed within the report and subject to the terms and conditions set out in the

Property Particulars, as outlined in Appendix 1 of the report be approved;

2. That any reduction to the conditional offer to determine the final net offer be delegated to the Portfolio Holder for Finance and Portfolio Holder for Housing, Planning and Development in consultation with the Director of Finance and Director of Economy;
3. That the Assistant Director of Resources (Legal, Governance & Workforce) be requested to prepare the appropriate legal documentation and execute such documents on behalf of the Council in connection with the disposal;
4. That in the event the disposal to Lovell Homes does not proceed that delegated powers are given to the Portfolio Holder for Finance and the Portfolio Holder for Housing, Planning and Development, in consultation with the Director of Finance and Director of Economy, to agree terms and accept an offer from one of the alternative bidders.

Reasons for the recommendation:

Redevelopment of the site for residential development will ensure that the regeneration of Langley will continue in accordance with the Langley Masterplan, adopted in 2008, together with the Langley Land Pooling Agreement (LPA), a legal framework established in 2010 between Rochdale Borough Council and The Riverside Group (TRGL), who own land within the Langley estate.

The framework pooled all the land together and the partnership was established to manage the development these sites for the benefit of the Langley estate.

The disposal of the site at Bonscale Crescent will provide the Council and TRGL with the best value for an outright sale of the land where the capital receipt will go into the LPA for use on the Langley estate to deliver community and environmental improvements across the estate.

28 CHAMBER HOUSE SOLAR FARM PROJECT

The Sub-Committee considered the report of the Director of Economy which presented a revision to the original application and to seek approval for match funding to bring forward a solar farm project on Council owned land at Chamber House Farm, Rochdale Road East, Heywood, OL10 1RL (The Site), to generate income and vastly improve the Council's green credentials. This was based upon a very recent update of additional headroom and grant funding becoming available for the project.

Alternatives considered:

The alternatives were outlined within the submitted report.

Resolved:

1. That approval in principle be given to match funding for the revised scheme, increasing capacity from 900 kilowatts (KW) to 4 megawatts (MW), subject to due diligence. The proposed match funding is to include the utilisation of earmarked capital receipts as well as borrowing described in paragraph 5 of the report, in the event of a successful application for European Regional Development Fund (ERDF) grant funding. The revised 4 MW scheme would unlock the full potential of The Site as a solar farm;
2. That approval be given to re-submit the ERDF bid;
3. That the costs in connection with the feasibility work and other costs related to applying for ERDF funding, estimated at £50,000, should be made available upon approval irrespective of whether the application for ERDF is successful, to be funded from the Asset Development Fund;
4. It be noted that, subject to all due diligence being undertaken and a successful bid being achieved, a revised and more accurate match funding figure will be produced at a later date to confirm the total budget for this project;
5. That approval for the final match funding sum to be delegated jointly to the Director of Economy, the Chief Finance Officer and Leader of the Council;
6. That If the Council's application is successful, and match funding is made available, that approval be given for the Council to enter into a funding agreement with ERDF; and a partnering agreement with ESC, Manchester City Council and all other consortium members; along with any other necessary agreements in connection with this scheme; and that the Director of Economy and the Assistant Director of Resources (Legal, Governance & Workforce) be given delegated approval to agree the heads of term and complete all legal formalities.

Reasons for the recommendation:

Recently ERDF funding was made available to fund projects within Greater Manchester titled 'Unlocking Clean Energy in Greater Manchester' and the Chamber House Farm project is being put forward for funding.

29 PROPERTY INVESTMENTS – PERFORMANCE & RISK Q3 2019/20

The Sub-Committee considered the report of the Director of Resources which informed Members of the performance of the Council's commercial property investments, and to highlight the associated risks.

The report indicated that at this point the Commercial Investment Fund/Asset Development Fund investments are achieving / exceeding the performance targets that were established for this activity; that a review is being undertaken with respect to the application of savings targets to the Direct Development Fund; and that risks are identified and are being appropriately managed.

Resolved:

1. That the report, including the assessment of risk with regard to the property portfolio included at paragraph 6 / Appendix 2 be noted.