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Meeting of: Property Growth Fund Sub-Committee
Date: Tuesday, 28th January, 2020
Time: 2.30 pm.
Venue: Training and Conference Suite, Number One
Riverside, Smith Street, Rochdale

This agenda gives notice of items to be considered in private as required by Regulations 5 (4) and (5) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Item No.	AGENDA	Page No
1	Apologies To receive any apologies for absence.	
2	Declarations of Interest Members are required to declare any disclosable pecuniary, personal or personal and prejudicial interests they may have and the nature of those interests relating to items on this agenda and/or indicate if S106 of the Local Government Finance Act 1992 applies to them.	
3	Items for Exclusion of Public and Press To determine any items on the agenda, if any, where the public are to be excluded from the meeting.	
4	Urgent Items of Business To determine whether there are any additional items of business which, by reason of special circumstances, the Chair decides should be considered at the meeting as a matter of urgency.	
5	Minutes To consider the minutes of the meeting of the meeting held on 5 th November 2019.	3 - 6
6	Exclusion of Press and Public	

To consider that the press and public be excluded from the remaining part of the meeting pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that discussions may involve the likely disclosure of exempt information as defined in the provisions of Part 1 of Schedule 12A to the Local Government Act 1972 and public interest would not be served in publishing the information.

- 7 Land at Bonscale Crescent, Langley, Middleton** 7 - 25
- To consider matters relating to land at Bonscale Crescent, Langley, Middleton.
- 8 Chamber House Solar Farm Project** 26 - 31
- To consider proposals relating to the Chamber House Solar Farm Project.
- 9 Property Investments – Performance & Risk Q3 2019/20** 32 - 38
- To consider a report on Property Investments – Performance & Risk Q3 2019/20.

Property Growth Fund Sub-Committee Members

Councillor Daalat Ali

Councillor Allen Brett

Councillor Sara Rowbotham

For more information about this meeting, please contact:

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Agenda Item 5

PROPERTY GROWTH FUND SUB-COMMITTEE

MINUTES OF MEETING Tuesday, 5 November 2019

PRESENT: Councillor Brett (in the Chair); Councillors Daalat Ali and Rowbotham.

OFFICERS: Levi Rickell (Senior Projects Officer), Maykee Liu (Property Manager), John Addison (Senior Committee Officer)

APOLOGIES FOR ABSENCE: Councillor Dearnley and Councillor Rowbotham

14 DECLARATIONS OF INTEREST

There were no declarations of interests.

15 URGENT ITEMS OF BUSINESS

There were no urgent items of business.

16 MINUTES

RESOLVED

That the minutes of the Property Growth Fund Sub-Committee held on 30th July 2019 be approved and signed as a correct record.

17 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.

18 NEW DEVELOPMENT FEASIBILITY

The Sub-Committee considered a report of the Director of Economy that sought approval for proposals for the use of the Asset Development Fund bring forward new commercial development.

It recommended that the Property Growth Fund Sub-committee approved the undertaking of transport assessments on a Council owned site located off Kelvin Avenue, Middleton, M24 4RA. The site was being considered for a mixed use development which could consist of a hotel, pub restaurant and a drive thru concession either a restaurant or coffee shop. The project feasibility would be funded through the Asset Development Fund.

Resolved:

1) Land at Kelvin Avenue, Middleton – Transport Assessments

Budget Estimate	Estimated Completion	Projected Benefits/ Return
£10,000	Autumn 2019	Confirmation the site can cater for a mixed use development that doesn't negatively impact the transport and traffic in and around the site. A positive assessment will enable RBC to move forward with the detailed development of a scheme for the site. If the site is developed it will improve the area, increase employment and generate rental income for the Council

That the proposed transport assessments would include a scoping stage, a transport assessment and a travel plan. If required a derivation of traffic forecasts for noise/air quality assessments would also be provided.

2) Land at Ainsworth Street – Indemnify Enterprise

Budget Estimate	Estimated Completion	Projected Benefits/ Return
£50,000	Autumn 2019	A council owned site free from contamination. A vacant site occupied and producing an income of £26,000 per annum from Enterprise rent-a-car.

It was agreed that the Property Growth Fund Sub-committee approved the use of the Asset Development Fund to underwrite any future costs to the Council so that it can indemnify Enterprise against all historical contamination of the site should there be an issue with the ground conditions once the lease to Enterprise has been completed.

That a lease of 20 years had been agreed with Enterprise rent-a-car which would generate an income of £26,000 per annum. Enterprise were funding all the development costs. The site investigation report stated that the site was suitable for commercial use however concentrations of PAHs and metals encountered in underlying Made Ground and also the presence of asbestos fibres encountered in shallow Made Ground have been identified. Should Enterprise incur additional costs in remediating the site such as removing the contaminated material from site the Asset Development will fund this.

The Sub-Committee considered a report of the Director of Economy that sought approval for match funding to bring forward a solar farm project for energy savings and improving the Council’s green credentials.

It was recommended that the Property Growth Fund Sub-committee approved match funding including the utilisation of earmarked capital receipts as described in paragraph 5 of the report, in the event of a successful application for European Regional Development Fund (ERDF) grant funding. It was noted that the site was Chamber House Solar Farm situated on Council owned land adjacent to Rochdale Road East, Heywood, OL10 1RL. The estimated 1 MWh scheme would be phase 1 with the potential to build more capacity in the future if and when there was potential for increased viability.

RESOLVED

Chamber House Solar Project, Heywood

Budget Estimate	Estimated Completion	Projected Benefits/ Return
£580,000 - £1,000,000	2022	<p>Cost savings through a power purchase agreement with an energy supplier.</p> <p>Building infrastructure to accommodate larger capacity for future cost savings with the potential for those costs to be covered by ERDF funding.</p> <p>This then reinforces viability and potential for an income producing opportunity for future phases to be built.</p> <p>Improves the Council’s green credentials and meets the much needed target of increasing green energy.</p> <p>CO2 reduction in year 1 is estimated at over 250 tonnes.</p>

It was agreed that the feasibility work and other costs related to applying for ERDF funding be available upon approval and a revised and more accurate match funding figure be produced at a later date to confirm the total budget.

That approval be delegated to the Director of Economy and Leader and Portfolio Holder for Finance subject to successful bid funding on an amount to be agreed and further details clarified.

20 ASSET DEVELOPMENT FUND DELEGATED SPEND

The Director for Economy presented to Members a report seeking approval for a delegated spend of up to £25,000 per work order of the Asset Development Fund to enhance commercial property owned by the Council with the potential to facilitate increased rental income.

RESOLVED

That the Property Growth Fund Sub-committee approve a delegated spend of up to £25,000 per work order of the Asset Development Fund to carry out relevant enhancement works to commercial property owned by the Council.

21 PROPERTY INVESTMENTS - PERFORMANCE AND RISK QUARTER 2: 2019/2020

The Sub-Committee considered a report of the Director of Economy on the performance of the Council's commercial property investments, and highlighted the associated risks.

Members were informed that at this point in the Commercial Investment Fund/Asset Development Fund investments were 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.

RESEOLVED

That the report be noted

Agenda Item 7

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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By virtue of paragraph(s) 1,3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Agenda Item 8

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Agenda Item 9

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