

Report of	Meeting	Date
Director of Policy and Governance (Introduced by the Executive Member for Resources)	Executive Cabinet	16 March 2017

PURCHASE OF VICTORY PARK AND OAK HOUSE AND ASSOCIATED LAND

PURPOSE OF REPORT

1. To authorise the purchase of Victory Park, Oak House and associated land.

RECOMMENDATION(S)

2. That the Council purchase the land and buildings known as Victory Park, Duke Street, Chorley for the sum of £200,000 and the land and buildings known as Oak House, High Street Chorley to include the former Converters Site , High Street Chorley and other offices within that title for the sum of £2.05m. The total estimated cost of the purchase including stamp duty and land tax is £2.375m
3. That the Council approves the temporary use of prudential borrowing if the receipt from the sale of land at Southport Rd is not received before the purchase of Victory Park and Oak House.
4. That authority be delegated to the Head of Legal, Democratic and HR Services to prepare the necessary legal documentation to complete the purchase.

EXECUTIVE SUMMARY OF REPORT

5. The Council have been in negotiations with Northern Trust concerning a proposed landswap whereby Northern Trust would transfer their interest in the land opposite the Town Hall, (comprising the Royal Oak Public House, Oak House (the offices), the former Cash Converters site and the offices occupied by Miller Metcalfe and Entwistle Green) and the Victory Park Football Ground site in exchange the Council would transfer their interest in the land at Southport Road.
6. This agreement was amended whereby the Council marketed the land at Southport Road for sale and would use the proceeds to purchase the Northern Trust Land. This proposal was considered and approved by Cabinet in March 2016.
7. The sale of the Southport Road Land is due to complete imminently and authority is sought to complete the purchase of the Northern Trust Land. It is intended to complete the purchase only following the sale of Southport Road. However, it is recommended to approve the use of prudential borrowing to complete the purchase if it is needed.

Confidential report Please bold as appropriate	Yes	No
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Key Decision? Please bold as appropriate	Yes	No
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Reason Please bold as appropriate	1, a change in service provision that impacts upon the service revenue budget by £100,000 or more	2, a contract worth £100,000 or more
	3, a new or unprogrammed capital scheme of £100,000 or more	4, Significant impact in environmental, social or physical terms in two or more wards

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

- 8. The purchase will support the Councils ambitions in the delivery of the Town Centre Masterplan and provide parking to support developments such as the Market Walk extension.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 9. To acquiring the leasehold titles to the site.

CORPORATE PRIORITIES

- 10. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all		A strong local economy	X
Clean, safe and healthy communities		An ambitious council that does more to meet the needs of residents and the local area	X

BACKGROUND

- 11. The town centre masterplan provides for a civic square on the land currently occupied by Gala Bingo and the Royal Oak/ Oak House buildings. The Council have a freehold interest in much of this site but it is held on long leases by other occupiers including NT.
- 12. In addition to furthering the Council’s ambition for a Civic Square this area will be multi-function and provide a car parking option to support the town centre as a whole but also the Market Walk development in particular.
- 13. The proposal will provide for the Council to get control over substantial parts of this site. If it were not pursued then the Council may not have an opportunity to purchase this land at a later date if it were transferred to a third party.
- 14. Northern Trust have made the sale of the Oak House land conditional on the concurrent transfer of Victory Park to the Council.

THE NORTHERN TRUST LAND

15. Northern Trust are proposing to transfer 2 parcels of land to the Council their interest in the Oak House and offices site and Victory Park. NT have provided valuations of these parcels of land which have been used for the auditing of their accounts. These valuations have been considered by the Council's Property Service and approved as being correct.
16. The parcels of land are important to the Council for not only the implementation of the town centre masterplan but also to provide support to the local football team by having control over their ground.
17. The valuations of the land are a combined £2.25million being £2.05 million for the NT Land and £0.2 million for Victory Park.
18. The Heads of Terms for the transfers are appended to this report.

IMPLICATIONS OF REPORT

19. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	X	Customer Services	
Human Resources		Equality and Diversity	
Legal	X	Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

COMMENTS OF THE STATUTORY FINANCE OFFICER

20. The estimated cost of the purchase is £2.25m plus stamp duty and land tax of £124,500 giving a total cost of £2.375m
21. This proposed land deal with Northern Trust can be implemented at no cost the Council, the proceeds of sale from the Southport Road site being used to fund the purchase of the Northern Trust Land and Victory Park and still provide a surplus.
22. If the sale of land at Southport Rd does not occur before this purchase it is proposed that temporary prudential borrowing is used to finance the purchase.
23. The proposal furthers 2 council priorities being the delivery of housing (the Southport Road Land being released for development) and the accumulation of assets that realise and income for the Council. In addition the Northern Trust Land forms part of the area allocated for a Civic Space in the Council's Town Centre Masterplan. In order to ensure the delivery of this it is important for the Council to gain possession of this site.

COMMENTS OF THE MONITORING OFFICER

24. Whilst this purchase has not been approved previously, Members have considered the wider terms and have approved the principle of this transaction. Monies have been ring fenced to this purchase and there is no legal reason why it should not proceed.

CHRIS SINNOTT
DIRECTOR OF POLICY AND GOVERNANCE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Chris Moister	5160	3 March 2017	***