

# Agenda



## Cabinet Member for Finance & Resources

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Date: Friday, 31 March 2017

Time: Not required

Venue: Not required

To: Councillor M Whitcutt

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Item		Wards Affected
1	<u>Land at Cot Farm Close, Ringland, Newport</u> (Pages 3 - 10)	Ringland

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# Report

## Cabinet Member for Finance and Resources

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### Part 1

Date: 31 March 2017

Item No: 01

**Subject** Land at Cot Farm Close, Ringland, Newport

**Purpose** To seek approval from the Cabinet Member for Finance and Resources to declare the property surplus to the Council's requirements and agree its disposal to Newport City Homes, on terms to be agreed by the Head of Law and Regulation.

**Author** Housing and Assets Manager

**Ward** Ringland

**Summary** There are well developed proposals by Newport City Homes, for a comprehensive redevelopment around the district centre at Ringland. There have been lengthy public consultation in respect of the proposed redevelopment and a planning application will be submitted mid-2017. The Council owns the parcel of land subject to this report and this is seen as an integral element to delivery of the scheme.

**Proposal** That the land subject to this report be declared surplus and sold, on terms recommended by Newport Norse and agreed by the Head of Law and Regulation. In the first instance, negotiations will be progressed with Newport City Homes (NCH), but if those discussions do not proceed in an acceptable timeframe, alternative methods of disposal will be pursued. This will enable the land to be brought forward for development in an appropriate timeframe.

**Action by** Newport City Council with Newport Norse

**Timetable** Immediate

This report was prepared after consultation with:

- Property Services Manager, Newport City Council
- Head of Regeneration, Investment and Housing
- Head of Law and Regulation (Monitoring Officer) – Statutory officer
- Head of Finance (Chief Finance Officer) – Statutory officer
- Head of People and Business Change – Statutory officer
- Estates Team Leader, Newport Norse
- Estates Portfolio Officer, Newport Norse

**Signed**

## **1. Background**

- 1.1 Land at Cot Farm Close measures approximately 1.47 acres and is owned freehold by the Council (shown on the plan at Appendix 1). It is appropriated to Regeneration, Investment and Housing. Currently it is used as informal open space by local residents.
- 1.2 The land has previously been identified through the Land Identification Programme as a potential disposal opportunity.
- 1.3 The Council was approached in 2004 by the Local Health Board (LHB), seeking to acquire the land for the development of a new surgery. Cabinet Member approval was secured in 2006 for the disposal of the land to the LHB, but in the event, the matter did not proceed.
- 1.4 Since the approach from the LHB, the land has remained in Council ownership, but no further proposals were brought forward for its use or disposal.
- 1.5 Ringland ward has a deficiency in regard to open space provision across the ward. This is based on the Council's adopted minimum standard for open space, sport and recreation. Ringland ward has a deficit of open space but does have one of the higher amount of open space compared to other wards within Newport.

## **2. Newport City Homes Regeneration Scheme**

- 2.1 In 2014 Newport City Homes (NCH) approached the Council to acquire the subject land in Ringland, to facilitate comprehensive redevelopment proposals.
- 2.2 NCH is looking to bring forward a multi-million pound regeneration project in Ringland, with the aim of transforming the area physically and socially. The area of interest to the scheme is shown on the plan at Appendix 2 and is centred on the shopping centre. Key outcomes will include reduction of anti-social behaviour and creation of a more inviting community hub for local residents.
- 2.3 Proposals include a complete re-design of the shopping centre, including replacement of the existing retail units with new commercial premises. This will provide a new high street incorporating a wider land use to facilitate a mixed tenure residential development.
- 2.4 The masterplan will be delivered in a phased approach in order to manage the relocation of the various residential and commercial tenants. Public consultation events have been undertaken and the scheme is widely supported. NCH will therefore be seeking board approval to proceed with the scheme in February 2017, to commence full design works in order that a planning application can be submitted mid-2017.
- 2.5 The Council's land at Cot Farm close has been identified by NCH as being integral to delivering the scheme, in particular the replacement/relocation of some of the residential accommodation provided in the area. As a result, NCH is looking to acquire the land from Newport City Council (NCC) to facilitate the various phases of their regeneration proposals. The land would not be transferred however, until the necessary planning permission has been obtained. As the disposal will be conditional on NCH securing planning consent for the proposed development, the successful consent for residential development will establish the value and therefore no planning application will be submitted by the Council and no overage provisions will be required.

## **3. Benefits of these Proposals**

- 3.1 The scheme will provide added benefits to NCC's retained land. In particular, the Community Centre and Library complex will have opportunities to work in partnership with NCH for further redevelopment of the wider area.

- 3.2 The proposed scheme is widely supported by the local residents, including those directly affected. It has also been reviewed with Welsh Government who are supportive of the scheme, they have visited site a number of times and been part of the consultation as Newport City homes is a Large Scale Voluntary Transfer organisation
- 3.3 The proposal ideally matches the key areas of the Well-being of Future Generations (Wales) Act 2015, in that it is a partnership development that has been widely consulted on with residents, members and others. It looks to change what has been an area requiring rejuvenation for some time with a scheme that looks at the long term well-being of area and it's residents combining not only maintaining a thriving commercial hub but also the provision of additional affordable housing in an area of housing need.

It maintains playing fields within the locality adjacent to the development and includes an area for the potential of community food growing, with all of the educational benefits that could bring.

- 3.4 The disposal would see land utilised that otherwise provides no benefits to the local area and has been deemed to be surplus for a number of years.
- 3.5 The disposal would generate a capital receipt for the Council to invest in its own service priorities.

#### 4. Other Development Opportunities

Although the proposals by NCH above offer one means of bringing the land forward for development, there are alternatives. If it is not possible to agree terms for sale with NCH, the Council could bring the site forward for development by others independently. Although this approach would not achieve the wider regeneration benefits described above, the land is capable of independent development for residential or commercial uses, subject to planning permission. Any scheme will need to be reviewed again as to it matching the requirement of the Well-being of Future Generations (Wales) Act 2015.

#### 5. Financial Summary

	Year 1 (Current) £	Year 2 £	Year 3 £	Ongoing £	Notes including budgets heads affected
<b>Costs</b>					There is no income currently from this land.  There are management and maintenance costs associated with the land but these cannot be quantified.  The sale of the land will realise a capital receipt for the Council.
<b>(Income)</b>					
<b>Net Costs</b>					
<b>(Savings)</b>					
<b>Net Impact on Budget</b>					

## 6. Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Failure to dispose of the assets will result in the no capital receipt being forthcoming	H	M	See tom progress disposal expeditiously	Newport Norse
Risk of anti-social behaviour	H	M / L	Property inspections by Rangers and PCSO's	NCC
On-going maintenance liabilities	L	L	Only limited maintenance should be required. Property to be regularly checked.	NCC and Newport Norse
Risk of compromising redevelopment proposals	M	L	Newport Norse will continue to monitor the disposal	Newport Norse

\* Taking account of proposed mitigation measures

## 7. Links to Council Policies and Priorities

- Asset Management Plan
- Property Rationalisation Programme
- Medium Term Revenue Plan (MTRP)
- Community Development Plan

## 8. Options Available and considered

### Option 1

Take no action.

### Option 2

That the land subject to this report be declared surplus and sold on terms recommended by Newport Norse and agreed by the Head of Law and Regulations. In the first instance, negotiations will be progressed with NCH, but if those discussions do not proceed in an acceptable timeframe, alternative methods of disposal will be perused.

## 9. Preferred Option and Why

### Option 2

That the land subject to this report be declared surplus and sold on terms recommended by Newport Norse and agreed by the Head of Law and Regulation. In the first instance, negotiations will be progressed with NCH, but if those discussions do not proceed in an acceptable timeframe, alternative methods of disposal will be perused. This will enable the land to be brought forward for development in an appropriate timeframe.

## 10. Comments of Chief Financial Officer

- 10.1 The land has no economic or strategic value to the Authority, so any disposal would be beneficial by generating a capital receipt to be reinvested in capital programme. In addition, any revenue maintenance cost liabilities that may be associated with the land will be discharged, and there is no income stream to lose as a result of this proposal.
- 10.2 The disposal of this land to Newport City Homes brings additional social benefits for the area if the proposals are successful.

10.3 Capital receipts are a corporate resource and are therefore not hypothecated outside Cabinet. They are regularly reported to Cabinet in the Capital Programme monitoring reports. Decisions on their use is a Cabinet decision, taking into account the wider funding issues around the Council's capital programme. Receipts are currently being earmarked to 21C School's programme (which attracts WG match funding) but have now reached the minimum required levels for Band 'A'.

### **11. Comments of Monitoring Officer**

The proposed action is in accordance with the Council's statutory powers to dispose of surplus land in accordance with sections 122 and 123 of the Local Government Act 1972. If the land at Cot Farm Circle is no longer required for Council purposes, then it can be re-appropriated for asset management purposes and sold for development, in order to generate a capital receipt. If the land is currently used as informal open space, then it may be necessary to give public notice of this proposed re-appropriation and disposal and consider any objections in accordance with sections 122(2A) and 123(2A) of the 1972 Act. In accordance with section 123(2), the Council must secure the best price reasonably obtainable for the sale of its freehold interest in the land. However, if the sale to NCH is conditional upon a satisfactory planning permission being obtained for the proposed development and the market price is then fixed by reference to its development value, then this will be sufficient to demonstrate market value for the land. If the sale to NCH falls through or the development does not proceed and the surplus land is then sold to another purchaser, then it will be necessary to secure the best price for the land.

### **12. Comments of Head of People and Business Change**

The proposal is to declare the land surplus and in the first instance enter into negotiations with Newport City Homes with regards to the redevelopment of Ringland District Centre. This would include mixed use development and the improvement of local facilities and the creation of additional affordable housing units. This proposal would potentially deliver wellbeing benefits in terms of physical and social regeneration for example in terms of reducing anti-social behaviour in a recognised 'hot-spot', community food production and attracting business investment. The report indicates that initial engagement with the community has been positive. However, the proposed redevelopment would result in the loss of an area of informal open space, increasing the existing shortfall in the Ringland area (the Ringland Community Profile indicates a moderate overall deficit of designated open space provision, but a surplus of informal open space provision).

### **13. Comments of Cabinet Member**

Cabinet Member has approved the report.

### **14. Local issues**

Councillor M Linton, Ringland Ward:

The land in question had a petition issued to the council at the original development proposals, I am not against any development to improve The Ringland Estate and provide housing and improvements to the environment.

It must not be at all cost to the expense of play area and green areas as Ringland does not in my belief have enough play space the land is used by children in the locality.

### **15. Scrutiny Committees**

No specific consultation any of the Council's Scrutiny Committees has taken place.

### **16. Equalities Impact Assessment and the Equalities Act 2010**

The Equality Act 2010 contains a Public Sector Equality Duty which came into force on 06 April 2011. The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership.

The new single duty aims to integrate consideration of equality and good relations into the regular business of public authorities. Compliance with the duty is a legal obligation and is intended to result in better informed decision-making and policy development and services that are more effective for users. In exercising its functions, the Council must have due regard to the need to: eliminate unlawful discrimination, harassment, victimisation and other conduct that is prohibited by the Act; advance equality of opportunity between persons who share a protected characteristic and those who do not; and foster good relations between persons who share a protected characteristic and those who do not. The Act is not overly prescriptive about the approach a public authority should take to ensure due regard, although it does set out that due regard to advancing equality involves: removing or minimising disadvantages suffered by people due to their protected characteristics; taking steps to meet the needs of people from protected groups where these differ from the need of other people; and encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

## **17. Children and Families (Wales) Measure**

Although no targeted consultation takes place specifically aimed at children and young people, consultation on planning applications and appeals is open to all of our citizens regardless of their age. Depending on the scale of the proposed development, applications are publicised via letters to neighbouring occupiers, site notices, press notices and/or social media. People replying to consultations are not required to provide their age or any other personal data, and therefore this data is not held or recorded in any way, and responses are not separated out by age.

## **18. Wellbeing of Future Generations (Wales) Act 2015**

The Well-being of Future Generations (Wales) Act 2015 ensures that public bodies across Wales, including local authorities, think about the long-term, work better with communities and each other, look to prevent problems and take a more joined-up approach. To achieve this, the Act puts in place 7 well-being goals

- A globally responsive Wales
- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities
- A Wales of vibrant culture and thriving Welsh Language

This redevelopment scheme meets many of the goals set out in the Act, rather than it being a straightforward housing development, it incorporates rejuvenating the business area allowing the community to benefit from local services. The scheme also increases the level of affordable housing. Ringland ward has a deficiency in regard to open space provision across the ward. This is based on the Council's adopted minimum standard for open space, sport and recreation. Ringland ward has a deficit of open space but does have one of the higher levels of open space compared to other wards within Newport. There is a potential for a community growing area which will contribute to the educational aspirations of the locality as many local garden projects have shown.

## **19. Crime and Disorder Act 1998**

Section 17(1) of the Crime and Disorder Act 1998 imposes a duty on the Local Authority to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. This will have formed part of the consultation discussions with residents and will have formed part of the development brief by Newport City Homes as they will still have management responsibility for the area as part of the Stock Transfer involving crime and anti-social behaviour.



## **21. Background Papers**

Site Plan attached.

Dated: 31 March 2017

