

Agenda



Cabinet Member for Assets & Member Development

Date: Thursday, 14 September 2017

Time: Not Required

Venue: Not Required

To: Councillor M Whitcutt

Item

Wards Affected

1 Land at Acacia Avenue, Somerton, Newport (Pages 3 - 8)

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Report

Cabinet Member for Assets and Member Development

Part 1

Date: 14 September 2017

Subject Land at Acacia Avenue, Somerton, Newport

Purpose To consult with the Cabinet Member for Assets and Member Development regarding the disposal of the above Council owned Land.

Author Housing and Assets Manager

Ward Always

Summary The subject land is owned by the Council but has not been used operationally since 1990. There has been interest expressed in acquiring the premises but to ensure proper market exposure, it is recommended that the site be offered for disposal on the property market.

Proposal Dispose of the land in the open market, on terms to be agreed by the Head of Law and Regulation.

Action by Head of Regeneration, Investment and Housing

Timetable Immediate

This report was prepared after consultation with:

- Estates Team Leader, Newport Norse
- Estates Portfolio Officer, Newport Norse
- Property Services Manager, Newport Norse
- Director, Place, Newport City Council
- Head of Regeneration, Investment and Housing, Newport City Council
- Housing and Asset Manager
- Head of Finance – Chief Finance Officer
- Head of Law and Regulations – Monitoring Officer
- Head of People and Business Change

Signed

1. Background

- 1.1 The land subject to this report is shown edged on the attached plan. It comprises approximately 0.55 acres. The land is level and largely surfaced with concrete. Access to the site is from Acacia Avenue and this route is secured by large gates. The boundaries are defined by metal fencing.
- 1.2 The site was formally utilised as a works depot and more recently as a base for the NEAT project. However, all activity ceased in 1990 and since that time, the site has remained largely unused.
- 1.3 Highways and Planning officers have been consulted and advise there is no reason in principle that the site could not be redeveloped for residential use. The details of any specific application would, of course, be considered on its merits.
- 1.4 Correspondence has been received from Newport City Homes, enquiring whether the Council is willing to dispose of this site. Whilst this site has potential for sale as a residential development site, it is anticipated there would potentially be interest in purchasing from other Housing Associations and from private Developers. Dealing with NCH exclusively would exclude others from potentially participating in the disposal process.
- 1.5 The adjoining Chepstow and Aberthaw Roads are at a higher level than the subject site. At the top of the bank and immediately behind the pavements are 9 large advertising panels. These are managed and operated by a specialist advertising company under a lease from the Council, currently generating a commercial rent. The physical boundary of the subject site forms a logical boundary for development and does not affect access to the advertising boards. The existing lease therefore can continue if the subject land is sold.
- 1.6 It would not be appropriate for the Council to apply for planning permission prior to sale, as the planning position is sufficiently clear.
- 1.7 Overage provisions would not be required, as prospective purchasers will reflect redevelopment potential in their bid.

2. Financial Summary

	Year 1 (Current) £	Year 2 £	Year 3 £	Ongoing £	Notes including budgets heads affected
Costs					Disposal will offer small potential revenue savings in maintenance and management costs.
(Income)					Disposal will generate a capital receipt.
Net Costs					
(Savings)					
Net Impact on Budget					

3. 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 asset will result in no capital receipt to the Council	H	L	Disposal should be actively pursued by all parties	NCC and Newport Norse
Risk of planning application delaying redevelopment proposals	L	L	Chose method of disposal that transfers title unconditionally	NCC and Newport Norse
Risk of deterioration in the condition of the land	L	L	Keep the land under review as management action	NCC and Newport Norse

* Taking account of proposed mitigation measures

4. Links to Council Policies and Priorities

- Corporate Asset Management Plan – 2012 to 2017
- Property Rationalisation Programme
- Medium Term Revenue Plan (MTRP)
- Housing supply strategy

5. Options Available and considered

- 5.1 Take no action and continue to hold the premises vacant.
- 5.2 Agree to sell the land to Newport City Homes.
- 5.3 Dispose of the land in the open market, on terms to be agreed by the Head of Law and Regulations.

6. Preferred Option and Why

- 6.1 Dispose of the land in the open market, on terms to be agreed by the Head of Law and Regulation.
- 6.2 This option will generate a capital receipt, reduce revenue costs and offer wide exposure of the site to potential purchasers.

7. Comments of Chief Financial Officer

- 7.1 The site is closed and is of no strategic or economic value to the Authority, so a disposal would be beneficial by generating a reasonable capital receipt to be reinvested in the capital programme. In addition, the potential revenue maintenance and management costs associated with the site would be eliminated.

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 earmarked to 21C School's programme (which attracts WG match funding) have reached the minimum required levels for Band A and are now being used in forecasting the funding envelope for the new medium term capital programme being developed.

8. Comments of Monitoring Officer

- 8.1 The proposed action is in accordance with the Council's powers to dispose of surplus land in accordance with section 123 of the Local Government Act 1972. The land is no longer required for operational Council use and can, therefore, be sold on the open market to generate a capital receipt. There is a statutory duty under section 123 to secure the best price reasonably obtainable for the land, if it is to be sold on a freehold basis for potential residential development. Therefore, disposing of the land on the open market and allowing competitive bids for the site would clearly demonstrate best value, rather than just negotiating a private sale with one particular RSL. If the principle of potential residential development of the site has been accepted, then that should be reflected in the offer price. Otherwise, the Council would usually require some form of "overage" provision in the transfer to secure a share of any future development profit.

9. Comments of Head of People and Business Change

- 9.1 The report notes that this site has not been in operational use for some time and that there is a risk of a deterioration in its condition, however it is currently secure and no ASB issues are mentioned. The site is not accessible open space and is not currently an asset or amenity for the local community. Disposal of the asset for housing could help in the provision of affordable housing and it is noted that Newport City Homes has already expressed an interest in the site.

10. Comments of Cabinet Member

10. Cabinet Member has approved the report.

11. Local issues

- 11.1 Ward Members – No comments received.

12. Scrutiny Committees

- 12.1 N/A

13. Equalities Impact Assessment and the Equalities Act 2010

13. 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.

14. Children and Families (Wales) Measure

- 14.1 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.

15. Wellbeing of Future Generations (Wales) Act 2015

- 15.1 The report outlines sufficiently how the Act has been incorporated into the decision being proposed from the initial viewpoint that the land in question has no direct strategic value to the Council in the delivery of its services but through disposal would benefit the long term strategy of the council in terms of the delivery of housing in the area. Secondly it would provide the Council with a capital receipt which as outlined in the report can also be considered for use against another long term strategy of the Council i.e. 21st century schools.

16. Crime and Disorder Act 1998

- 16.1 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.

17. Consultation

- 17.1 Comments received from wider consultation, including comments from elected members, are detailed in each application report in the attached schedule.

18. Background Papers

- 18.1 Site plan

Dated: 14 September 2017

