

# Agenda



## Delegated Decisions - Cabinet Member for Infrastructure and Assets

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Date: Thursday, 2 November 2023

To: Councillor L Lacey

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| Item |   | Wards Affected |
|------|---|----------------|
| 1    | <u>Disposal of Gaer Depot</u> (Pages 3 - 8) | Gaer           |

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Date of Issue: 25 October 2023

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# Report

## Cabinet Member for Infrastructure and Assets

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### Part 1

Date: 2 November 2023

**Subject** Disposal of Gaer Depot

**Purpose** To seek approval from the Cabinet Member to dispose of the former Gaer Depot building on the terms set out in this report.

**Author** Head of People Policy and Transformation

**Ward** Gaer

**Summary** The Gaer Depot is no longer utilised by the Council and is surrounded by land owned by Newport City Homes. The district valuer has valued the property and the report proposes a direct disposal to Newport City Homes due to the restricted access.

**Proposal** To dispose of the Gaer Depot building to Newport City Homes.

**Action by** Head of People, Policy and Transformation

**Timetable** Immediate

This report was prepared after consultation with:

- Head of Finance – Chief Finance Officer
- Head of Law and Standards – Monitoring Officer
- Head of Regeneration & Economic Development
- Newport Norse
- Head of Housing and Communities

**Signed**

## Background

The Gaer Depot has been earmarked previously for disposal to Newport City Homes (NCH) to support their redevelopment of the Gaer estate, and we have now reached provisional agreement for this disposal based on district valuation. As shown on the plan below Gaer Depot is a Newport City Council owned asset but is surrounded by NCH land.

The Gaer Depot is no longer utilised by the Council, is surrounded by land owned by Newport City Homes (NCH) and only benefits from rights of access. District Valuation has been undertaken for the disposal with a value of £55,000 placed on the property. It has been confirmed that the valuation follows a review of the title to the property and therefore take into account any charges, covenants and other encumbrances (if any) affecting the Council's title. Given the length of time vacant and the deteriorating state of the property this is a reflection of market value and the report proposes disposal as a special purchaser due to the restricted access.

Given the condition of the property, being vacant for a number of years and deteriorating from a lack of maintenance and occupation, this is a fair reflection of market value for this type of property, and alternative use would be difficult due to where the asset sits and the access rights over the land.

The proposal supports the partnership between the Council and NCH for the provision of social housing.

## Financial Summary

The transaction would generate a capital receipt to the Council and remove any responsibility for maintenance for the building.

Proposed £55k capital receipt, within 23/24 financial year.

## 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 for the Council and ongoing maintenance costs. | L                                    | L                                     | As outlined in this report.  | Head of People Policy and Transformation, Newport Norse |
| Failure to dispose will result in further deterioration of the building.   | L                                    | L                                     | As outlined in this report.  | Head of PPT, Norse                                      |

\* Taking account of proposed mitigation measures

## Links to Council Policies and Priorities

This project supports the primary objective of the Corporate Plan 2022-2027 in working to delivery an ambitious, fairer, greener Newport for everyone. Specifically supporting the environment and infrastructure wellbeing objective and the Council's asset rationalisation programme.

The proposal also supports our Well-Being Objectives for community services and housing.

## **Options Available and considered**

1. To sell the Gaer Depot to Newport City Homes for redevelopment.
2. Not to sell and consider other options for the Gaer Depot.

## **Preferred Option and Why**

To sell the Gaer Depot to Newport City Homes for redevelopment.

## **Comments of Chief Financial Officer**

Disposal of this building will benefit the Council by the realisation of a capital receipt, particularly as it is of no economic or strategic value to the authority. The capital receipt will be added to the Council's overall capital funding headroom and will be utilised in due course but is restricted, under accounting requirements, to funding capital expenditure.

## **Comments of Monitoring Officer**

According to s.123 of the Local Government Act 1972, the Council may dispose of land which it owns in any manner it wishes. However, it must not, without the consent of the Welsh Ministers, dispose of land for less than the best price which can reasonably be obtained. The report from Newport Norse sets out a rationale for taking the view that £55,000 is the best price obtainable. As indicated above, it has been confirmed that the Norse report and associated valuation follow a review of the title to the property and therefore take into account any charges, covenants and other encumbrances (if any) affecting the Council's title; such investigation has therefore not been carried out by the author of this comment.

Subject to being satisfied that the proposed figure is the best price obtainable, the Cabinet Member for Infrastructure and Assets has the power to take the decision to dispose of the land referred to in this report, according to the Scheme of Delegation to Cabinet Members set out in the Council's Constitution.

## **Comments of Head of People Policy and Transformation**

The report seeks approval from Cabinet Member to dispose of the former Gaer Depot building by selling to Newport City Homes for redevelopment. The building is currently not being used by the Council and surrounded by land owned by Newport City Homes; therefore, this proposal would enable the area to be fully utilised by residents as part of the regeneration of Gaer estate.

The proposed option supports our Corporate Plan 2022-27 in delivering an ambitious, fairer, greener Newport for everyone. Specifically, through two of the Well-being Objectives (Environmental and Infrastructure; and Quality Social Care and Community Services), while also supporting the Council's asset rationalisation programme.

Ward members have been made aware and given the opportunity to provide their feedback. In addition, a full FEIA isn't required due to no specific impacts on people that share protected characteristics.

There are no direct HR implications associated with the proposal.

## **Comments of Non-Executive Members**

### Councillor Linton:

Just to clarify that I would have like to have seen photographs of the property up for sale and there is no mention of the land that it sits on for disposal.

What will the sale value give Council after disbursements to Newport Norse.

### Response:

The property wasn't advertised on the open market as the property is surrounded by land already owned by NCH and therefore, they have been treated as a special purchaser which demonstrates best value for

the site. The land and building as defined by the plan attached (edged red) to the report forms what is to be disposed of.

The sale will give the Council a receipt of £55,000, there are no disbursements to Newport Norse.

Councillor Drewett:

I have no objection to the disposal of the Gaer Depot.

## **Scrutiny Committees**

None

## **Fairness and Equality Impact Assessment:**

There are no negative or positive impacts on those with protected characteristic associated with the sale at this point and therefore a full FEIA is not required.

## **Wellbeing of Future Generation (Wales) Act**

- Long term – the potential use of the land for social housing demonstrates the link to long term planning for housing requirements
- Prevention – the selling of the land prevents a potential future maintenance and safety risk from the current depot building
- Collaboration – the potential sale of this land to Newport City Homes for social housing demonstrates the Council's commitment to working collaboratively to improving the wellbeing of Newport residents.

## • **Equality Act 2010 and Socio-economic Duty**

Although there is no known positive or negative impact on people that share protected characteristics, should the land be used for social housing this supports the socio-economic duty as part of the Equality Act.

## • **Welsh Language (Wales) Measure 2011**

No impact.

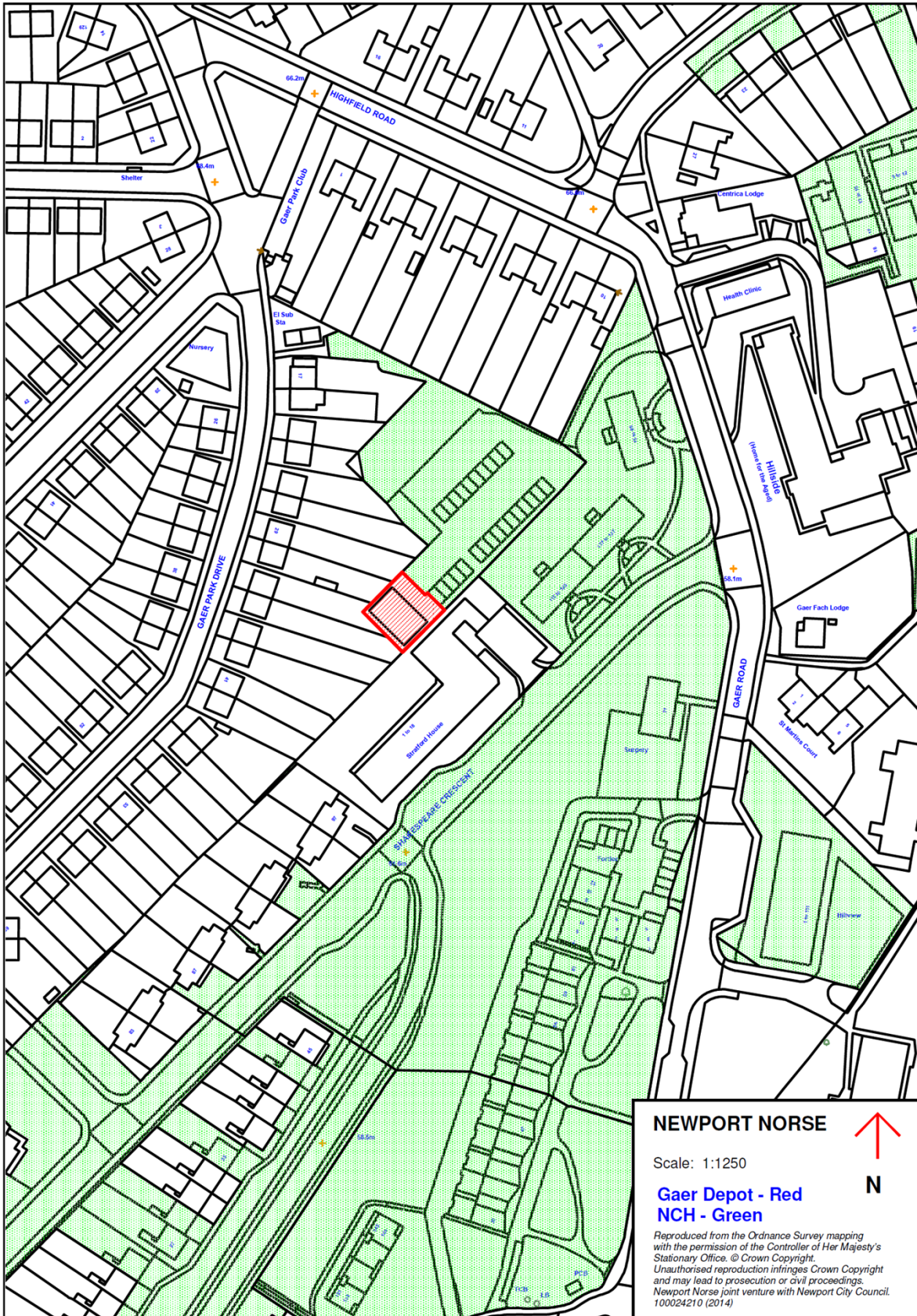
## **Consultation**

Ward members have been made aware of the proposal.

## **Background Papers**

None

**Dated: 2 November 2023**



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