

Report



Cabinet Member for Assets, Equalities & Member Development (Deputy Leader)

Part 1

Date: 4 October 2018

Subject Former Malpas Depot, Newport.

Purpose To seek approval from the Cabinet Member for Assets, Equalities and Member Development (Deputy Leader) to declare the subject land surplus to the Council's requirements and to dispose of the freehold on terms agreed by the Head of Law and Regulation.

Author Housing and Asset Manager

Ward Shaftesbury

Summary Newport City Council owns the subject land. NCH owns the buildings standing on the site and has requested to purchase the land, in order to rationalise the tenure, in preparation for more intensive use of the accommodation.

Proposal That the subject land be declared surplus and disposed of on terms recommended by Newport Norse and approved by the Head of Law and Regulation.

Action by Newport City Council and Newport Norse

Timetable Immediate

This report was prepared after consultation with:

- Strategic Director - Place
- Head of Regeneration, Investment and Housing
- Head of Finance – Chief Finance Officer
- Head of Law and Regulation – Monitoring Officer
- Head of People and Business Change
- Newport Norse
- Newport City Homes

Signed

Background

The Council owns the subject land freehold, as shown edged in a thick black line, on the attached plan.

At the time of Housing Stock Transfer, the three buildings shown hatched on the plan, were transferred to Newport City Homes (NCH). Currently there are two tenants of NCH in their buildings, together with NCH staff. The Council retained the subject land, comprising approximately 0.88 acre.

NCH is undergoing a reorganisation, in order to make it more resilient in the long term. As part of that process, it will be increasing the number of office based staff and maintenance operatives based at Malpas Depot. This will enable more effective use of resources and prevent waste. In order to ensure there is sufficient space available, notice has been served to terminate the leases of their tenants. All stakeholders at the site have been involved in NCH's communication strategy.

Whilst reviewing its plans, NCH has noted the title anomaly and proposes to resolve this by applying to the Council to purchase the land. As the land has no operational role, this would be a logical action on the Council's part and enable NCH to better integrate its services. It will be necessary however, to incorporate rights of access for the Council, to the retained Malpas Quarry, into the sale.

Under the circumstances of the case, NCH is a special purchaser. It is therefore appropriate to collaborate and sell the land by negotiating directly with NCH.

The land will be sold for its current use so there is no benefit in seeking planning permission. As NCH will pay the open market value, there is no need to incorporate overage provisions.

There are no staffing implications.

Financial Summary

Sale will produce a capital receipt for the Council. It also will avoid potential maintenance and management costs.

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 property will result in the potential of no capital receipt being forthcoming. .	L	L	Seek to conclude the sale expeditiously.	Newport City Council and Newport Norse
Risk of Vandalism and deterioration of the land.	L	L	The land should be inspected.	Newport City Council and Newport Norse.
On-going Maintenance	L	L	Maintenance is reactive only.	Newport City Council and Newport Norse.

Links to Council Policies and Priorities

Property Rationalisation Programme
Medium Term Revenue Plan (MTRP)
Strategic Asset Management Plan

Options Available and considered

1. Decline the request and continue with present arrangements
2. That the subject land be declared surplus and be sold to Newport City Homes, on terms to be recommended by Newport Norse and agreed by the Head of Law and Regulation.

Preferred Option and Why

That the subject land be declared surplus and be sold to Newport City Homes, on terms to be recommended by Newport Norse and agreed by the Head of Law and Regulation.

This will bring the Council a capital receipt, eliminate the risk of future maintenance/management costs and support the service operation of Newport City Homes.

Comments of Chief Financial Officer

Disposal of this land will benefit the Council by the realisation of a small capital receipt, particularly as it is of no economic or strategic value to the authority. The elimination of any maintenance liabilities is an additional benefit.

There is a base 'target' for capital receipts in the new 5 year Capital Programme and capital receipts are used to meet this target.

Comments of Monitoring Officer

The proposed action is in accordance with the Council's statutory powers to dispose of surplus land in accordance with section 123 of the Local Government Act 1972. Although the Council still retains the freehold of the land at Malpas depot, the buildings on the site were transferred to NCH as part of the housing stock transfer because they were used for housing purposes and, therefore, formed part of the HRA. The Council retained the freehold, by arrangement with NCH, in case they were no longer required for housing offices. However, as NCH now intend to expand their use of the buildings, then the transfer of the Council's freehold interest will facilitate this and regularise their legal title. The land is of no value to any other prospective buyer, given NCH's rights of occupation, and therefore, the Council can treat with NCH as a special purchaser for the purposes of the disposal. Their special purchaser position is also a factor in determining the market value of the freehold, for the purposes of securing best value under s123. The transfer documents will need to reserve rights in favour of the Council in relation to the future use of the adjoining retained land.

Comments of Head of People and Business Change

The Well-being of Future Generations (Wales) Act 2015 has been considered when developing this proposal. The sustainable development principle has been taken in to account by looking at each of the five ways of working in the section provided.

From an HR perspective there are no staffing implications for this report.

Comments of Cabinet Member

Cabinet Member has been briefed on the report.

Local issues – Ward Member Comments – Shaftesbury

Cllr H Thomas - I understand why we are selling, but hope a realistic price/market value is achieved.

Cllr P Cockeram – I am concerned that if Planning permission was granted, the value would be far in excess of what we would achieve rather than just negotiating with NCHs.

Scrutiny Committees

N/A

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.

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.

Wellbeing of Future Generations (Wales) Act 2015

In considering the five ways of working outlined within the Act there has been limited collaboration across the wider area and population because of the technicalities of the land and buildings ownership. However, NCH is clearly looking to improve the long term benefit of this site by increasing its usage and no doubt will have a more integrated service delivery model from the site.

When changing service delivery aspects such as this there will be involvement with NCH tenants and discussion on the long term benefits for the tenants of NCH.

Whilst the impact may be limited in terms of the wider area and population the new ways of working can be seen in this proposal.

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.

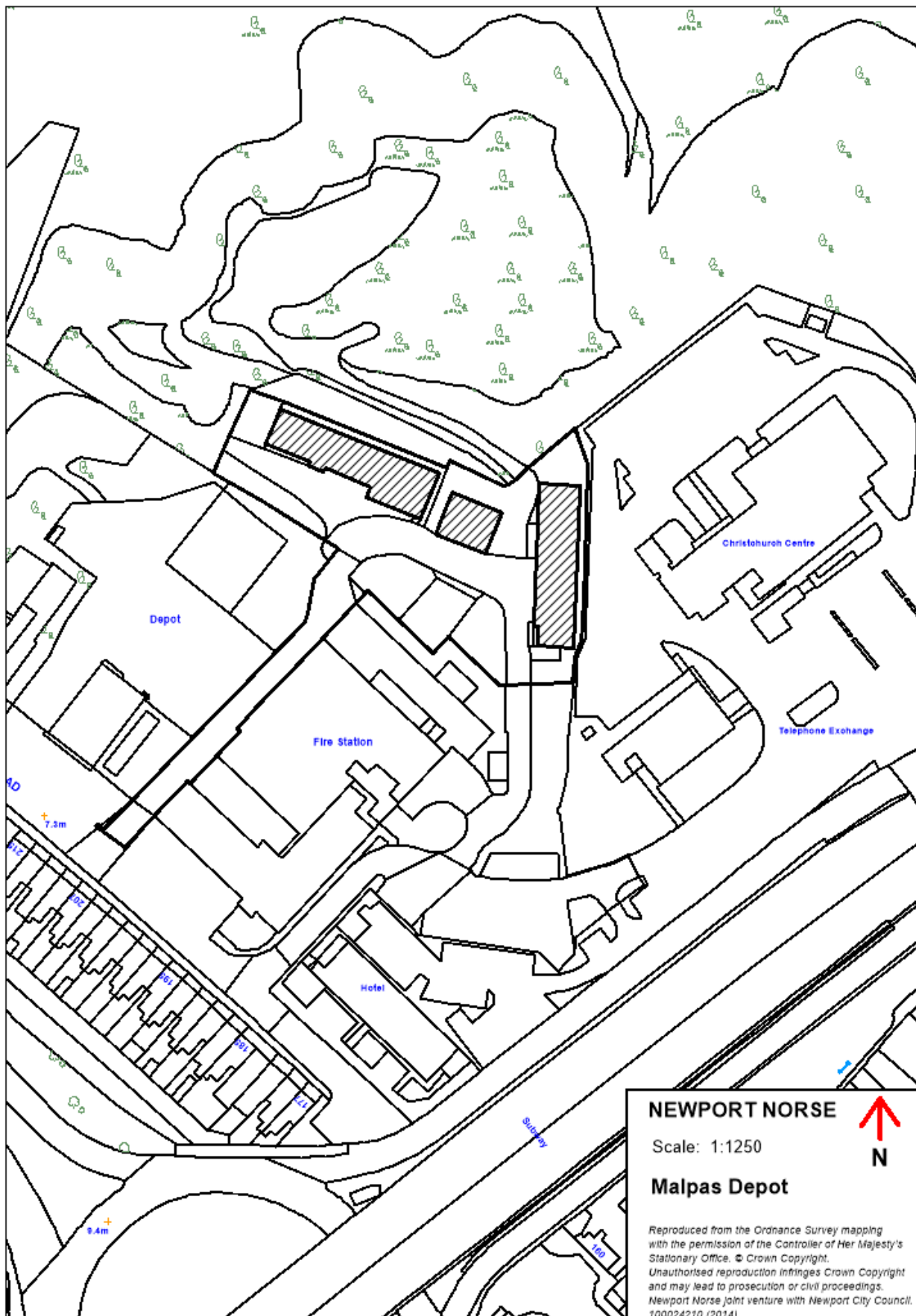
Consultation

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

Background Papers

Site plan.

Dated: 4 October 2108



NEWPORT NORSE

Scale: 1:1250

Malpas Depot

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