

Report

Cabinet Member for Assets

Part 1

Date: 20 January 2020

Subject Disposal of land at Tregwilym Road, Rogerstone

Purpose To seek approval from the Cabinet Member for Assets on the disposal of land at Tregwilym Road, Rogerstone.

Author Housing and Assets Manager

Ward Rogerstone

Summary Newport City Council have received a request from Walters Ltd to purchase council owned land in Rogerstone. The company first made their approach in 2015 but after prolonged negotiations, an agreement could not be reached. They have now come back and after further negotiations, an agreement in principle has been reached, subject to Cabinet Member approval.

Proposal To agree disposal of land on Tregwilym Road, Rogerstone, to Walters Ltd on terms approved by the Head of Law and Regulation.

Action by Head of Regeneration, Investment and Housing.

Timetable Immediate

This report was prepared after consultation with:

- Strategic Director - Place
- Head of Finance – Chief Finance Officer
- Head of Law and Regulations – Monitoring Officer
- Head of People and Business Change
- Head of Regeneration, Investment and Housing
- Housing & Assets Manager, Newport City Council
- Principal Engineer, Streetscene, Newport City Council
- Associate Director of Property Services, Newport Norse
- Property Manager, Newport City Council
- Associate Valuation and Estates Manager, Newport Norse

Signed

Background

The subject land, shown hatched black on the attached plan, is owned freehold by the Council. The Walters Group owns the adjoining land to the South. That company plans to develop a commercial scheme on its land, comprising small retail units. Such a development would improve the area physically and provide useful facilities for current and future residents. A planning application will be submitted accordingly.

Following detailed design, it has been concluded that the scheme layout would be improved by incorporating the Council's land. The additional land would be utilised primarily for landscaping and extra car parking space (in-part).

The Council land is not land locked as it is accessible from the footpath. However, as it is sandwiched in between the highway and proposed development, it is unlikely to be capable of development independently. There is Japanese knotweed on the site and City Services spray this every September, paid for by Regeneration, Investment and Housing service area.

Newport City Council and Norse have collaborated with the applicants in order to clarify the plans for the land and agree a purchase price. A sale price of £25,000 has been agreed, subject to Council approval. There will be no overage clause as the price agreed reflects the proposed development.

The land has been offered to the applicants exclusively, as it is capable of development only by combining with Walters' land. This is due to the irregular and unusual shape of the land, its close proximity to the proposed development, the highway layout and the limited access to the land itself.

Newport City Council and Norse also have collaborated with the Council's Highway Department, Legal Department and Regeneration team, in order to confirm that there are no objections to the disposal of the land, as well as help meet the Councils wellbeing objectives. All service managers consulted support the proposed disposal. The Highway team however, has confirmed a 2m verge should be retained adjacent to the highway. This is reflected in the proposed sale plan.

As the land is owned by the Council, responsibility for maintenance rests with the Council. Disposing of the land, will relieve the Council of the obligation of this maintenance. The disposal will also allow the applicants to integrate the subject land into their title and provide a sustainable and beneficial project to the local community.

The long term benefit of the site has been considered and whether it should be retained. Selling the land to the applicants will prevent any future liability for the Council and as such, preventing additional cost to the public purse. It would also help stimulate beneficial development. There has been no consultation with other landowners, for the reasons stated above. The wider public will be fully consulted through the planning process.

The economic activity generated by these proposals, together with improving local services and reducing shopping trips for the local community, contribute positively to the Welsh Government's well-being goals, especially: A prosperous Wales, A Wales of cohesive communities and A globally responsible Wales. The other well-being goals are considered not to be adversely affected by the proposals.

Financial Summary

| | Year 1 (Current) £ | Year 2 £ | Year 3 £ | Ongoing £ | Notes including budgets heads affected |
|---------------------------------|--------------------------|-------------|-------------|--------------|---|
| Costs (Income) | | | | | Disposal will produce a capital receipt and offer small savings in maintenance and management costs. Costs associated with the transfer should be recovered. |
| Net Costs (Savings) | | | | | |
| Net Impact on Budget | | | | | |

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 on-going maintenance and management costs | H | M-L | Seek to manage the appropriation expeditiously | Newport CC and Newport Norse |
| New retail facilities are not delivered in the optimum manner | M | L | Land should be sold to the Developer | Newport CC |
| Council loses the opportunity to utilise its land for development | H | L | Seek to manage the appropriation expeditiously | Newport Norse and Newport CC |

Links to Council Policies and Priorities

- Asset Management Plan
- Property Rationalisation Programme
- Medium Term Revenue Plan (MTRP)
- Service Delivery Plans

Options Available and Considered

- Dispose of the land. This will generate a capital receipt and avoid maintenance responsibilities for the Council. As the site is known to contain knotweed, this could involve significant savings for the future.
- Decline the request and retain the land. The Council will not receive a capital receipt and will remain responsible for maintenance of the area. Theoretically, there could be opportunity to sell or develop the land at some stage in the future. From a practical viewpoint however, this appears highly unlikely.

Preferred Option and Why

Dispose of the land on terms to be approved by Head of Law and Regulation. This will generate a capital receipt and avoid maintenance responsibilities for the Council. As the site is known to contain knotweed, this could involve significant savings for the future.

Comments of Chief Financial Officer

Disposal of this freehold will benefit the Council by the realisation of a capital receipt, which is reinvested into the Council's overall capital programme, disposal of the land will also remove any maintenance liabilities.

Comments of Monitoring Officer

The proposed action is in accordance with the Council's legal powers under sections 122 and 123 of the Local Government Act 1972 to re-appropriate and dispose of land that is surplus to operational requirements. The land has no intrinsic value at the present time, as it is incapable of independent redevelopment due to its location, and there are ongoing maintenance liabilities, particularly in relation to treating the Japanese Knotweed. Therefore, the proposed sale to the developers of the adjacent site would generate a capital receipt and relieve the Council of any on-going maintenance obligations. The incorporation of the Council land within the development site would improve the layout and car parking provision and facilitate the retail use of the site. The Council has a statutory duty under section 123 to secure the best price reasonably obtainable for the land and the agreed price is considered to reflect market value, based on the development value of the adjoining site. Therefore, it will not be necessary to include any "overage" provisions within the contract for sale or transfer.

Comments of Head of People and Business Change

As required, this report has considered the Well-being of Future Generations (Wales) Act 2015. Furthermore, all five aspects of the Act's sustainable development principle have been reflected in the report (*looking to the long term, involving people, collaborating with others, prevention and taking an integrated approach*).

Finally, from an HR perspective, there are no staffing implications

Comments of Ward Members - Rogerstone

Councillor Forsey has commented as follows.

"I am happy for this piece of land to be sold to the developer.

It is desirable that the proceeds are used for the benefit the residents of Rogerstone."

Councillor Evan has commented as follows.

"I would therefore support the idea on the following understand:

- 1) It is used for retail space

- 2) No further houses/flats are built
- 3) A opportunity is considered for at least one independent local business to be included in the plans
- 4) The sale doesn't impact on the local wellbeing of Rogerstone neighbours, that is in terms of extra pollution, loss of green space."

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

The long term benefit of the land has been considered and as it serves no current purpose for the Council or local residents it is felt that it is beneficial to dispose of the site for a capital receipt. Selling the site will prevent any future liability for the Council. Collaborating with the applicants regarding the sale will result in terminating all liabilities of the Freehold.

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.

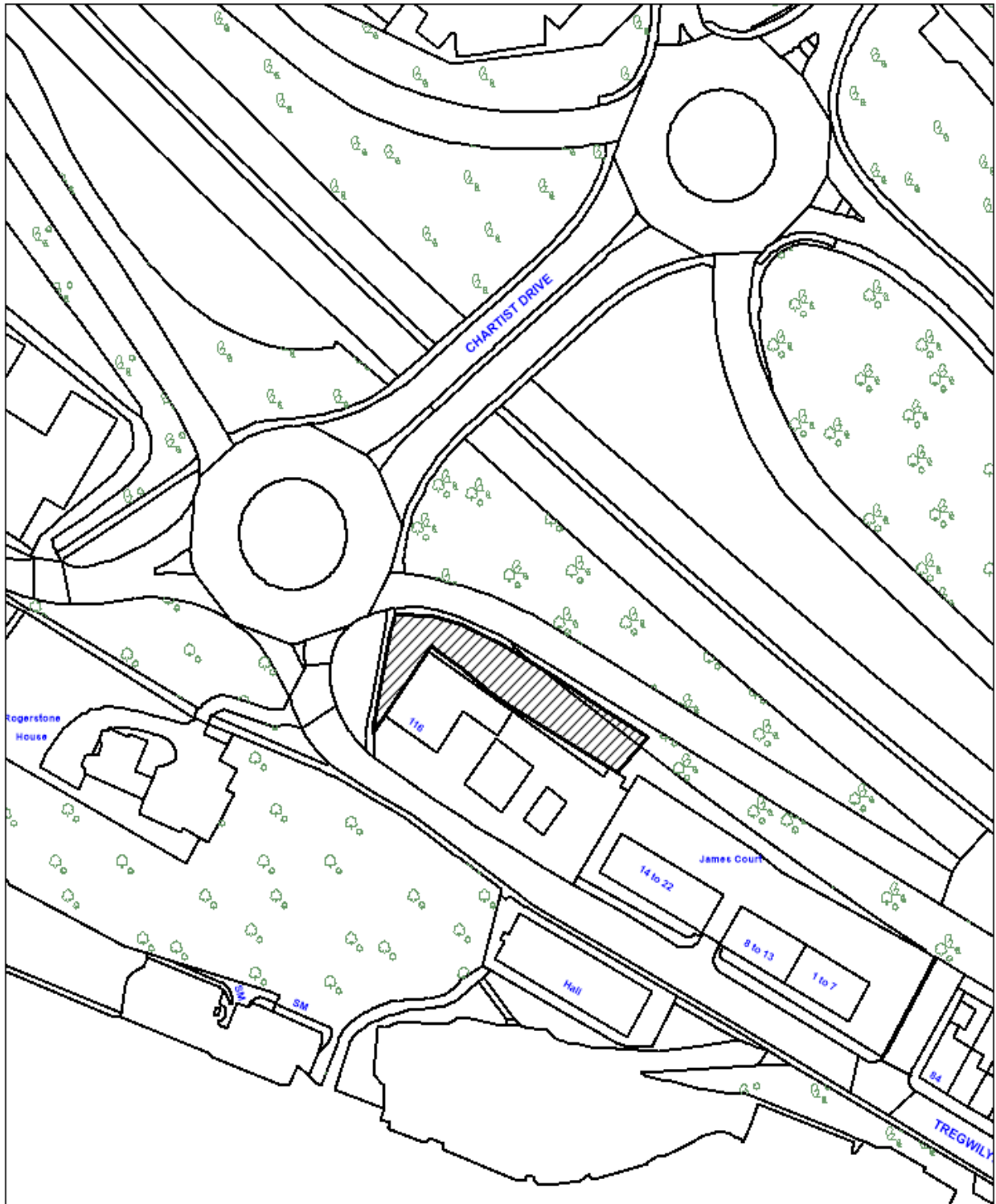
Consultation

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: 3 January 2020



NEWPORT NORSE

Scale: 1:1250



**Land at Tregwilym Road
(Former Petrol Station)**

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Newport Norse joint venture with Newport City Council.
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