

Report

Cabinet Member for Finance and Resources

Part 1

Date: 17 November 2016

Item No: 1

Subject 16 Charles Street, Newport NP20 1JU

Purpose To seek approval from the Cabinet Member for Finance and Resources to declare the subject property surplus and to dispose of the property.

Author Housing and Assets Manager

Ward Stow Hill

Summary The Service Area have under a separate report declared the property surplus to their requirements for the existing use of providing Adult Education. This report seeks to declare the property surplus to Council requirements and to dispose of the property on the best terms achievable.

Proposal Declare the property surplus and seek to dispose on the open market.

Action by Newport City Council with Newport Norse.

Timetable Immediate

This report was prepared after consultation with:

- Property Services Manager, Newport City Council
- Estates Team Leader, Newport Norse
- Property Services Manager, Newport Norse
- Head of Regeneration, Investment and Housing, Newport City Council
- Culture & Continuing Learning Manager
- Head of Finance – Chief Finance Officer
- Head of Law and Regulation – Monitoring Officer
- Head of Business and People Change

Signed

1. Background

- 1.1 Charles Street is situated in the City Centre and connects Stow Hill with Commercial Street and has provided a location for city centre Adult Community Education since the year 2000.
- 1.2 The building was acquired under the Education Elementary Act 1879 and due to its architectural interest was listed a number of years ago. During the 1980's, a two storey extension was erected to the rear of the property. Title searches suggest that there is no restriction for retaining educational functions at the property.
- 1.3 The property extends to a net internal floor area of approximately 9,000 sq ft (840 sq m) of accommodation which is predominantly in cellular rooms over three floors in the original building and as stated above, over two floors to the rear. This is a suitable arrangement for classroom based activities which is the existing core function of this building.
- 1.4 The Service Area have considered the merits of providing Adult Education from this location including diminishing grants to run the Service, running costs and the style of the building. As a result, it is their recommendation to move the Service to a focused Community delivery through the network of Community Centres situated throughout the city.
- 1.5 Assuming the Service Area proceed with vacating this property; the Council are required to consider the future of the property.
- 1.6 To ensure all options are considered, it is intended to highlight this premises to other Council services. If no sustainable proposal emerges, the premises will be sold.

2. Financial Summary

	Year 1 (Current) £	Year 2 £	Year 3 £	Ongoing £	Notes including budgets heads affected
Costs					This figure has been provided by the Service Area as the annual Building Operating Cost. When the Service Area vacate, there will be holding costs included in this figure but also additional security costs.
(Income)				63,818	
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?
City Centre property is vulnerable to vandalism and anti-social behaviour	H	H	Due to its location, it is recommended that the property be fully secured in particular to the rear which faces a Park where known anti-social behaviour occurs.	Newport CC and Newport Norse
The Service Area fully vacate and the property be immediately disposed of as soon as practicably possible	M	M	The Service Area retain financial responsibility for the property until disposal is achieved and agree with Newport Norse a vacating date so that the property can be disposed of with vacant possession.	Newport CC and Newport Norse
Property does not sell and we are forced to hold until sale forthcoming	H	M	Newport Norse to present the property to the Market at the earliest opportunity to obtain expressions of interest and engage with the Council's legal department to ensure all conveyancing documentation is prepared.	Newport CC and Newport Norse

4. Links to Council Policies and Priorities

- Council's Corporate Plan
- Asset Management Plan
- Property Rationalisation programme

5. Options Available

- 5.1 Offer the property to other Council Department for future occupation and appropriation.
- 5.2 Declare the property surplus to Council requirements and seek to dispose of the property on the open market to achieve best value and a capital receipt for the Council and minimise holding costs.

6. Preferred Option and Why

- 6.1 Option 2. Disposing of the property at the earliest opportunity will save the Service Area's property budget full year costs and will contribute to the Council's Capital programme for reinvesting in retained Council buildings.

- 6.2 Other Council services have been contacted and have confirmed that at present the property does not present a viable opportunity for development within the areas they cover confirming the option to dispose of the property at the earliest opportunity as being the preferred option.

7. Comments of Chief Financial Officer

- 7.1 The proposed option will benefit the Council by generating a capital receipt which can be reinvested in other capital programme priorities. Achieving a disposal as soon as possible is desirable in order to eliminate the burden of the ongoing revenue costs associated with vacant properties such as anti-social behaviour, rough sleepers and arson.
- 7.2 The property has stopped being used by the service but the property must be sold by March 2017 to avoid the Council being liable for further business rates payments.
- 7.3 There are extensive repairs and maintenance requirements required to bring it up to current DDA standards, these would need to be taken into account if the Council would wish to continue the use in another Service Area.

8. Comments of Monitoring Officer

The proposed action is in accordance with the Council's statutory powers under section 122 and 123 of the Local Government Act 1972. The property was originally acquired under the Education Acts for educational purposes but is no longer required for Adult Education functions. Therefore, the property can be re-appropriated from educational use under section 122. If the property is not required for alternative Council functions, then it can be declared surplus to requirements and disposed of. Although the property was originally acquired under Education statutory powers, there is no restrictive covenant attached to the land or any resulting trust that would prevent the property from being sold on the open market. The Council would have a statutory duty under section 123 to ensure that any sale of its freehold interest secured the best value for the property.

9. Staffing Implications: Comments of Head of People and Business Change

There are no staffing or equalities issues arising from the report.

The report notes the potential risk for anti-social behaviour which would have an environmental/social impact in the area.

10. Comments of Cabinet Member

Cabinet Member has approved the report.

11. Local issues – Comments of Ward Members

Councillor Miqdad Al-Nuaimi:

The report makes it clear there is benefit in the proposed action and so I have no objection to it.

Councillor Kevin Whitehead:

Can we be assured that as is encouraged by the Welsh Government, those assets deemed surplus to requirements by local authorities, and in this instance Newport City Council, will be considered for use by interested Community Groups? I ask the question having twice been turned down for surplus Council assets in my Bettws Ward which would've had a positive impact on our children in particular within our Community, a Community that lost a boxing club and youth club with a combined membership of approximately 150 kid's.

Cabinet Member Response:

The Council often receives requests to transfer property assets which have been declared surplus to Community Organisations. The Council weighs these proposals against criteria that have been considered by its Corporate Strategy and Asset Management Group. This approach has provided a clear and consistent basis for assessment, and has enabled the Council to reach a reliable

conclusion. It is not clear that an application from a Community Group would be consistent with the circumstances set out in these reports, should such an application be received, this process would be followed and the application considered

12. Scrutiny Committees

N/A.

13. Equalities Impact Assessment

This paper has been prepared and is attached to Cabinet Member Report prepared for both Culture, Leisure and Sport Cabinet Member and the Finance and Resources Cabinet Member in May 2016.

14. Children and Families (Wales) Measure

N/A.

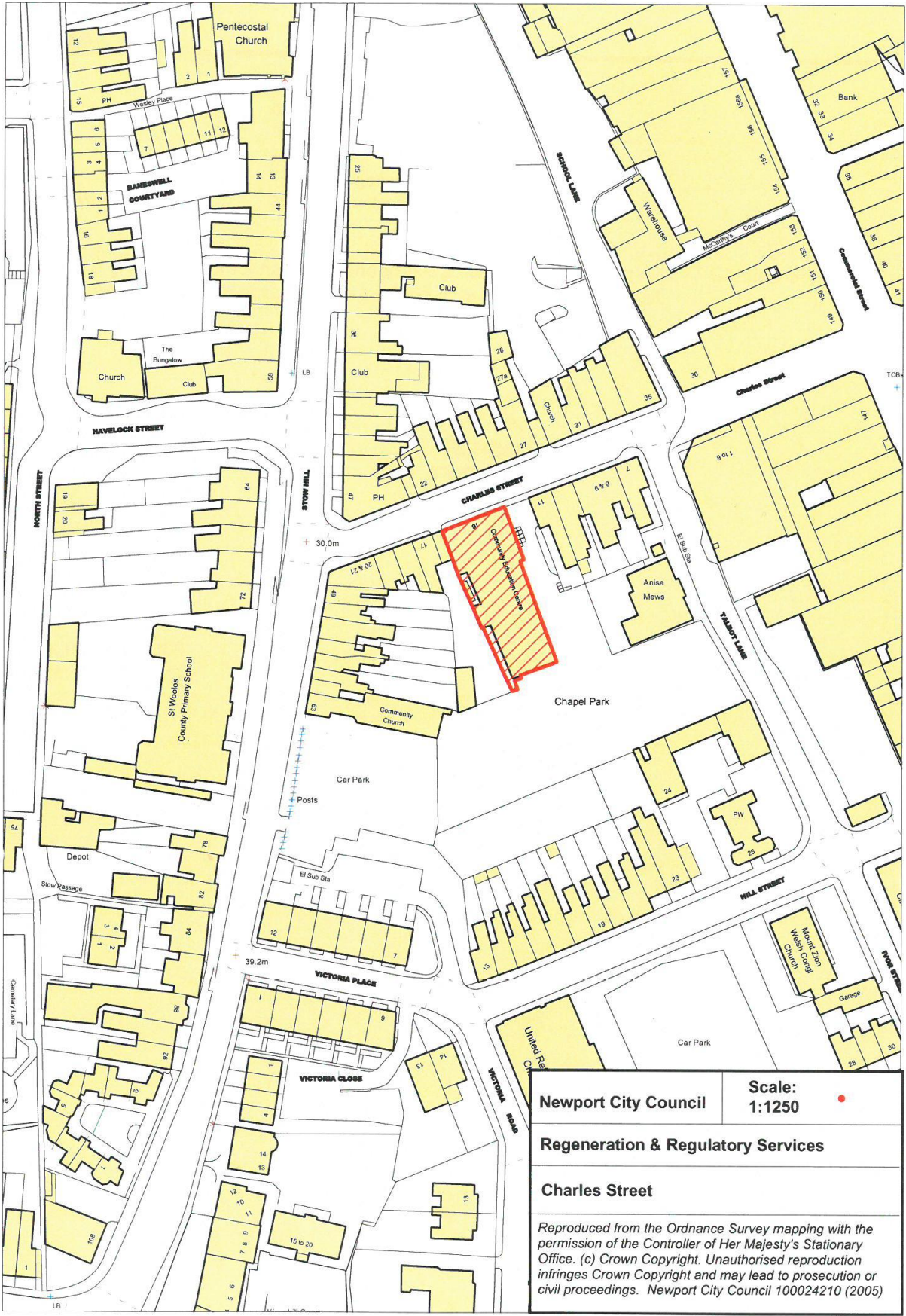
15. Consultation

None.

16. Background Papers

Plan attached.

Dated: 17 November 2016



Newport City Council	Scale: 1:1250
Regeneration & Regulatory Services	
Charles Street	
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