

# Report

## Cabinet Member for Finance and Resources

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### Part 1

Date: 17 November 2016

Item No: 2

**Subject** **Alexandra Road, former WC's**

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

**Author** Housing and Assets Manager

**Ward** Pillgwenlly

**Summary** The premises subject to this report closed operationally over 10 years ago and is not required for direct delivery of Council services. It is a listed building and will require refurbishment to be capable of use.

**Proposal** **Declare the premises surplus and seek to dispose of it. This offers the best chance to bring the premises back into use. It will also generate a small capital receipt for the Council and avoid future revenue costs.**

**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
- Estates Portfolio Officer, Newport Norse
- Property Services Manager, Newport Norse
- Head of Regeneration, Investment and Housing, Newport City Council
- Head of Finance – Chief Finance Officer
- Head of Law and Regulation – Monitoring Officer
- Head of People and Business Change

**Signed**

## 1. Background

- 1.1 The land and building subject to this report was managed operationally by the Council for many years. It operated as a public convenience until it was closed around 10 years ago, due to vandalism and misuse.
- 1.2 It is a listed building with many interesting architectural features. It is however, in very poor condition physically and would require significant investment if it was to be brought back into use. Service managers have confirmed there are no plans to utilise this premises and it serves no purpose operationally. The approach most likely to bring the premises back into use therefore is to offer it for sale, in anticipation of a purchaser being able to invest in the premises.
- 1.3 The nature of the premises and its formal listing reduces the range of possible uses to which it might be put. It is noted however that in other parts of the Country, former WC's have been turned into a range of imaginative alternative uses, including residential, café and gallery uses.
- 1.4 There was an approach in March 2016 from 2 local residents, expressing an interest in converting the structure into an ice cream parlour but this was not pursued at that time.
- 1.5 Investigations in connection with this report have revealed that the Council does not have formal title to the premises. A process is underway with the Land Registry, seeking to rectify this situation. Any future disposition of the premises therefore is predicated on this formal legal process being concluded successfully.
- 1.6 It is not considered appropriate to seek planning permission for the land prior to sale due to its location, value and range of potential uses.

## 2. Financial Summary

	Year 1 (Current) £	Year 2 £	Year 3 £	Ongoing £	Notes including budgets heads affected
<b>Costs (Income)</b>					There is no income or regular maintenance costs associated with ownership of the subject premises.  The sale will realise a small capital receipt for the Council.
<b>Net Costs (Savings)</b>					
<b>Net Impact on Budget</b>					

### 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?
Land Registry may decline the request to register the Council's interest	H	L	Legal officers preparing a thorough case, supported by statutory declarations, for consideration by the Land Registry	Newport CC and Newport Norse
Other prospective purchasers may complain if the Council deals with an individual exclusively.	L	H	Marketing will allow all prospective purchasers to bid.	Newport Norse
Premises may be advertised and not sold	H	M	Premises will be advertised widely. Low reserve price will be applied	Newport Norse and Agents

### 4. Links to Council Policies and Priorities

- Asset Management Plan
- Property Rationalisation programme

### 5. Options Available

- 5.1 Take no action
- 5.2 Declare the premises surplus and seek to dispose of it.

### 6. Preferred Option and Why

- 6.1 Declare the premises surplus and seek to dispose of it. This offers the best chance to bring the premises back into use. It will also generate a small capital receipt for the Council and avoid future revenue costs.

### 7. Comments of Chief Financial Officer

The premises have no economic or strategic value to the Authority, so any disposal would be beneficial by generating a capital receipt (if over £10k) to be reinvested in capital programme priorities or to generate a modest one-off source of revenue income (if under £10k). There are no ongoing revenue cost liabilities associated with the premises, so officers should be satisfied to wait for the outcome of the legal process with the Land Registry before any disposal contract is entered into.

Capital receipts are a corporate resource and are currently allocated to 21C school's programme, which attracts WG match funding. This is reviewed by Cabinet periodically.

## **8. Comments of Monitoring Officer**

The proposed action is in accordance with the Council's legal powers under Section 122 and 123 of the Local Government Act 1972, to re-appropriate surplus assets for disposal. The public toilets are no longer required for operational purposes and do not have any alternative uses. Therefore, they can be appropriated for asset management purposes, declared surplus to the Council's requirements and offered for sale on the open market. This would generate a small capital receipt and reduce ongoing maintenance and security costs. However, the options for refurbishment and alternative uses are limited due to the buildings being listed. Also, the Council needs to perfect the legal title to the land by applying to be the registered owner on grounds of possessory title, before any disposal can be completed.

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

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

## **10. Comments of Cabinet Member**

Cabinet Member has approved the report.

## **11. Local issues – Comments of Ward Members**

Cllr Omar Ali - I would be supportive of disposal of the toilets on Alexandra Road. They are a complete eye sore and people are constantly dumping rubbish around it / drug taking.

### 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**

N/A.

## **14. Children and Families (Wales) Measure**

N/A.

## **15. Consultation**

15.1 None.

## **16. Background Papers**

16.1 Plan attached.

Dated: 17 November 2016

