

# Report

## Cabinet Member for Finance and Resources

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### Part 1

Date: 17 November 2016

Item No: 4

**Subject** Former Pillmawr Road Depot, Malpas

**Purpose** To seek a decision from the Cabinet Member for Finance and Resources to declare the subject premises surplus and agree it be offered for sale.

**Author** Housing and Assets Manager

**Ward** Malpas

**Summary** The land subject to this report is owned by the Council but has not been used actively for many years. It is not anticipated there will be an operational need for the premises and therefore it could be declared surplus and sold.

**Proposal** **Declare the premises surplus to requirements and seek to sell the premises, with the benefit of outline planning permission for residential use.**

**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 Council is the freehold owner of the land shown edged and hatched on the plan appended to this report. It can be seen the site is situated behind private housing fronting onto Pillmawr Road and is adjacent to the grounds of Malpas Church in Wales Junior School. Access is via a private driveway from Pillmawr Road.
- 1.2 The site was previously used as a works depot but as a result of service reorganisation, that use ceased and the land has not been used since. The buildings were demolished in 2011.
- 1.3 The land and access is overgrown with vegetation and the boundary fencing stands next to a number of mature trees. Local residents have complained about the condition of the land from time to time, which is then cleared.
- 1.4 The site has potential as a residential development site and there have been a number of unsolicited enquiries from potential purchasers over recent years.
- 1.5 Initial advice from technical officers is that a change of use to residential is likely to be acceptable in principle but the width of the access is likely to limit this to a single dwelling. To clarify the planning permission and to consolidate value of the site, the Council could apply for outline planning permission for a single dwelling.
- 1.6 This property asset serves no operational, service or practical purpose in its current condition and this situation is not expected to change. The site becomes overgrown and unsightly from time to time, requiring the Council to undertake clearance works. Disposal will allow the land to be brought into active use.

## 2. Financial Summary

	Year 1 (Current) £	Year 2 £	Year 3 £	Ongoing £	Notes including budgets heads affected
<b>Costs (Income)</b>					<p>The only maintenance costs associated with ownership of the subject land is the cost of occasional site clearance.</p> <p>An application for change of use is estimated to cost around £2,500 plus VAT</p> <p>Sale of the land will realise a capital receipt for the Council.</p>
<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?
Other users of the access road may complain if the Council deals with the applicant exclusively.	L	H	Recommendation is to decline the request to purchase this land.	Newport Norse

### 4. Links to Council Policies and Priorities

- Asset Management Plan
- Property Rationalisation programme

### 5. Options Available

- 5.1 Take no action and continue to hold the premises vacant.
- 5.2 Declare the premises surplus to requirements and seek to sell the premises.
- 5.3 Declare the premises surplus to requirements and seek to sell the premises, with the benefit of outline planning permission.

### 6. Preferred Option and Why

- 6.1 Declare the premises surplus to requirements and seek to sell the premises, with the benefit of outline planning permission. This will entail an initial cost but it is anticipated the enhanced value will more than repay the costs involved.

### 7. Comments of Chief Financial Officer

- 7.1 The proposed action will eventually benefit the Council by generating a capital receipt, particularly as the land in question is of no economic or strategic value to the Authority.
- 7.2 Officers must ensure they work diligently to secure the best possible sale price which will justify the initial cost of the outline planning permission.
- 7.3 Capital receipts are a Council resource and are regularly reported to Cabinet in the Capital programme review reports. Receipts are currently earmarked to 21C school's programme which attract match funding from WG. This is reviewed and confirmed 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 depot is no longer required for operational purposes and does not have any alternative uses. Therefore, the property can be appropriated for asset management purposes, declared surplus to the Council's requirements and offered for sale on the open market. The Council has a statutory duty under Section 123 of the Act to secure the best price reasonably obtainable for the land and, to secure the best market value, it is

recommended that the Council should seek outline planning consent for residential use prior to the land being offered for sale.

## **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 – Ward Members**

### 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.

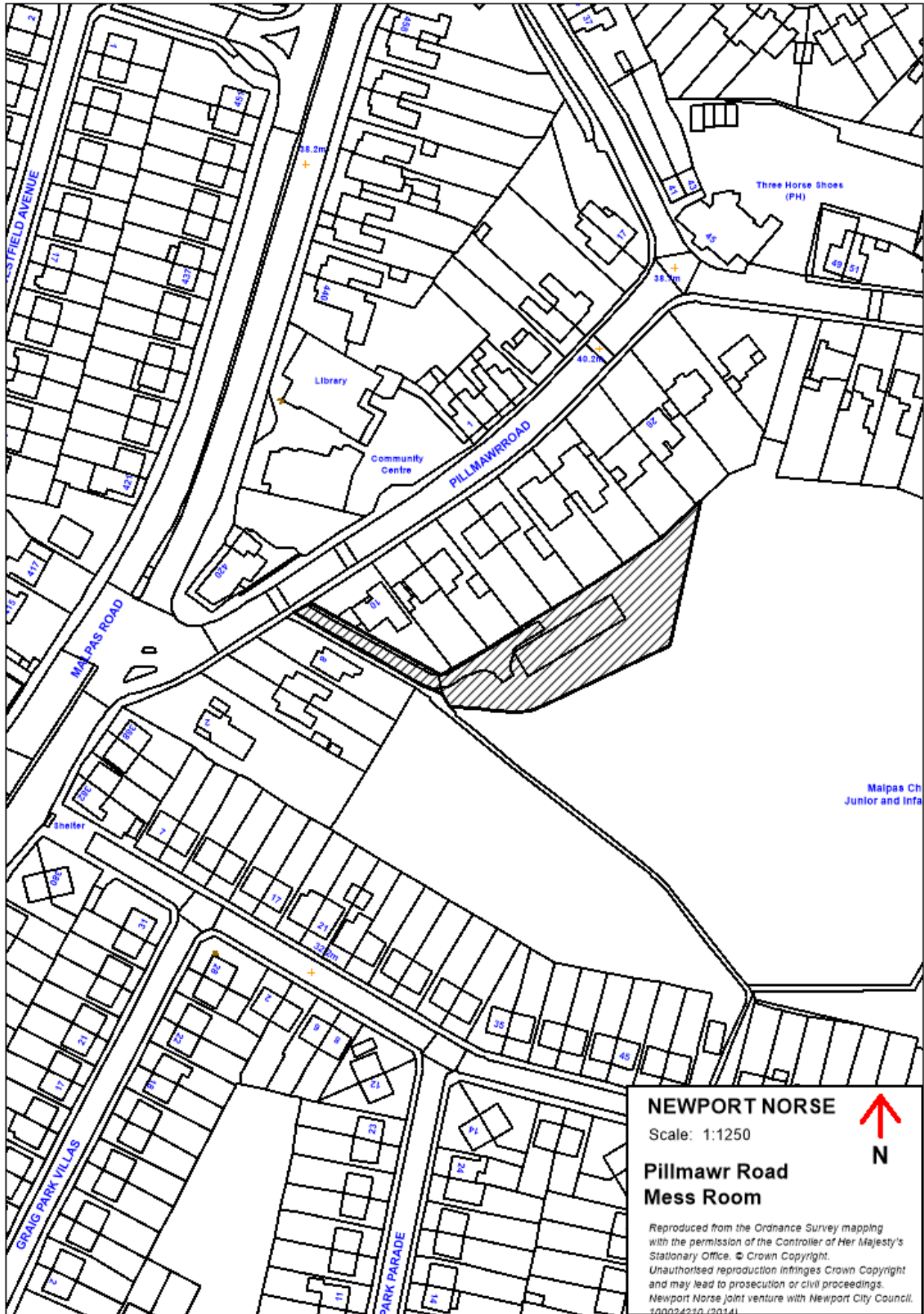
## **15. Consultation**

None.

## **16. Background Papers**

16.1 Plan attached.

Dated: 17 November 2016



**NEWPORT NORSE**

Scale: 1:1250



**Pillmaw Road  
Mess Room**

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