

**CYNGOR SIR POWYS COUNTY COUNCIL**

**PORTFOLIO HOLDER DELEGATED DECISION**

**by**

**COUNTY COUNCILLOR PHYL DAVIES**

**( PORTFOLIO HOLDER FOR HIGHWAYS, RECYCLING AND ASSETS)**

**March 2019**

**REPORT AUTHOR: Commercial Property Manager**

**SUBJECT: Proposed sale of 1 Ddole Road, Llandrindod Wells**

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**REPORT FOR: Decision**

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**1. Summary**

- 1.1 The Portfolio Holder is aware that officers have been engaged in discussions with a partner organisation, North and Mid Wales Trunk Road Agency (NMWTRA) regarding that organisation wishing to occupy the Council's former maintenance depot at 1 Ddole Road, Llandrindod Wells. The Depot is largely vacant at present, following the relocation of HOWPS to their own unit, and the withdrawal of Greenfingers Grounds Maintenance, who had used it as a local operating base.
- 1.2 Discussions began following NMWTRA's approach to the Council requesting assistance in identifying an alternative location for its business, given that it was going to have to vacate its current accommodation in the Automobile Palace during the month of April 2019, unless a temporary extension could be agreed.
- 1.3 Colleagues from NMWTRA inspected the property and agreed it would meet their requirements, and that they would like to take a lease of the building for an initial period of two years, but also requested an independent valuation of the freehold interest, as their preference (and that of Gwynedd County Council – which would be the legal purchaser and owner) may be to buy.
- 1.4 District Valuer Services were instructed to provide a Market Rent and a Market Value for the property under the terms of Welsh Government's Land Transfer Protocol on 11 February 2019, and have now provided, dated 14 March, an electronic copy of their draft report, which I have attached as confidential Appendix 1.
- 1.5 NMWTRA have contacted the Council to indicate they would now like Gwynedd County Council to acquire the freehold of the property for the reported figure (with the full funding being provided by Welsh Government) before the end of the current financial year. The Strategic

Director, Environment, has advised that this is acceptable, and has asked that appropriate effort is made to ensure this target can be met.

## **2. Proposal**

- 2.1 The proposed outcome is that a sale of the property should be agreed between the parties at the figure outlined in the draft DVS report dated 14 March 2019, and that Legal Services should be instructed to attempt to complete a sale, if at all possible, within the remaining days of the current financial year.
- 2.2 This is a transfer between public bodies conducted in accordance with the Welsh Government National Assets Working Group Estates Coordination and Land Transfer Protocol and the Monitoring Officer is asked to consider this as an Exceptional Circumstance under the terms of the Corporate Asset Policy.

## **3. Options Considered / Available**

- 3.1 Option 1: Agree terms for a sale to proceed, on the basis of the DVS draft report as attached at Confidential Appendix 1 and which will, if achievable within the short timeframe available, give an additional significant capital receipt to the Council in the current financial year.
- 3.2 Option 2: Agree terms, as originally intended, for a lease of the property for an initial period of two years, with an option to extend, and an option to acquire the freehold at a future date. This option would give a valuable revenue income to the Council, again as identified in the DVS draft report, with a possible capital receipt available in the future. However, NMWTRA has indicated its preference to acquire the freehold immediately, as outlined in option 1 above.

## **4. Preferred Choice and Reasons**

- 4.1 The preferred choice is option 1. Option 2 would provide the Council with additional rental income for 2 years prior to any sale, however it would take more than 8 years to generate the equivalent of the capital receipt. The receipt can be utilised immediately to support the Councils Transformation programme which is a key element of the Financial Strategy to deliver ongoing revenue savings. NMWTRA's preferred option is to purchase the property – which will maintain their presence and future in the town. This will also give them appropriate assurances that any investment they make into the building for their own benefit will not be lost at the termination of any lease.

## **5. Impact Assessment**

- 5.1 Is an impact assessment required?                      Yes

5.2 If yes is it attached? Yes

**6. Corporate Improvement Plan**

6.1 The proposal aligns with the Council's objectives of raising capital for reinvestment in its transformational projects under Vision 2025. The proposal also helps to ensure the continued presence of NMWTRA in Llandrindod Wells and in that, provides an element of security for the existing workforce.

**7. Local Member(s)**

7.1 The Local Member for the ward affected by the proposal is Cllr Gary Price. He has been notified of the proposed sale, and has been asked for an early comment – to be received before noon on Monday 18 March 2019.

**8. Other Front Line Services**

Does the recommendation impact on other services run by the Council or on behalf of the Council? Yes – part of the first floor of the building is used by the Trading Standards team as a seized goods store.

Part of the building is also used as storage for Catering and Cleaning.

They are not yet aware of the current proposals although the Property Manager is working with them to identify an alternative storage area to meet their needs in this respect, given it was his intention to vacate this property fully in the near future in any event.

A statement is not available at this time from the Lead Professionals for these service areas.

**9. Communications**

Have Communications seen a copy of this report? Yes

John Evans, Communications Manager has commented: There is no proactive communications action required.

**10. Support Services (Legal, Finance, Corporate Property, HR, ICT, Business Services)**

10.1 Legal – The Professional Lead supports the proposal and Legal Services will, if so advised, progress the sale in a timely fashion.

10.2 Finance – the Capital and Financial Planning Accountant advises that the proposal, if approved, will generate a surplus on disposal against the carrying value recorded on the Balance Sheet and provide a capital

receipt which could be used to fund projects in the capital programme including Transformation.

Finance – the Finance Business Partner can confirm that the sale of the property will reduce ongoing costs of running the building of £47k per annum. The loss of rental income revenue as highlighted in paragraph 3.2 above for the next two years, is outweighed by the sale which enables the Council to utilise the capital receipt to support the Councils transformation programme, which will generate ongoing revenue savings

10.3 Corporate Property (if appropriate): The Professional Lead – Strategic Property supports the recommendation.

10.4 HR (if appropriate)

10.5 ICT (if appropriate)

## 11. **Scrutiny**

Has this report been scrutinised? No

## 12. **Data Protection**

If the proposal involves the processing of personal data then the Data Protection Officer must be consulted and their comments set out below.

## 13. **Statutory Officers**

13.1 The Head of Finance (Section 151 Officer) notes the comments from Finance.

13.2 The Solicitor to the Council (Monitoring Officer) commented as follows :  
“ I note the legal comments and have nothing to add to the report.”

## 14. **Members' Interests**

The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest they should declare it at the start of the meeting and complete the relevant notification form.

| <b>Recommendation:</b>   | <b>Reason for Recommendation:</b>   |
|--|---|
| <b>that a sale of the property should be agreed between the parties at the figure outlined in the DVS report (as</b> | <b>To generate a significant capital receipt for the County Council during the current financial year, and to</b> |

|   |   |
|---|---|
| attached at Confidential Appendix 1) dated 14 March 2019, and that Legal Services should be instructed to complete a sale, if possible, before the end of the current financial year. | enable a public sector partner organisation to acquire a property in a timely manner. |
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|------------------------|------------------------|----------------|---|
| Relevant Policy (ies): | Corporate Asset Policy |                |   |
| Within Policy:         | Y                      | Within Budget: | Y |

|                           |                |
|---------------------------|----------------|
| Relevant Local Member(s): | Cllr G D Price |
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|--|----------------------------------|
| Person(s) To Implement Decision:         | David Micah                      |
| Date By When Decision To Be Implemented: | In advance of Financial Year end |

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| Is a review of the impact of the decision required?  | N |
| If yes, date of review   |   |
| Person responsible for the review  |   |
| Date review to be presented to Portfolio Holder/ Cabinet for information or further action |   |

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**Background Papers used to prepare Report:**