

CYNGOR SIR POWYS COUNTY COUNCIL

PORTFOLIO HOLDER DELEGATED DECISION

by

COUNTY COUNCILLOR PHYL DAVIES

PORTFOLIO HOLDER FOR EDUCATION AND PROPERTY

August 2020

REPORT AUTHOR: David Micah, Commercial Property Manager

REPORT TITLE: Sale of Development Site forming part of Rogerstone Farm, Glasbury

REPORT FOR: Decision

1. Purpose

- 1.1 The report seeks the approval of the Portfolio Holder to the sale of a modest development site extending to approximately 1 acre in Glasbury, following a period of marketing and agent recommendation.

2. Background

- 2.1 The portfolio holder will recall that the subject property was included in a collective auction sale of Council properties held in the Metropole Hotel in October 2019, and conducted by Brightwells Ltd. Unfortunately, this development site failed to reach the reserve price and remained unsold.
- 2.2 In accordance with their Terms of Engagement, Brightwells Ltd have continued to advertise the property for sale by private treaty since the auction. They have reported limited interest in the site to date, although one applicant has recently submitted an offer for the land, which is set out in the attached Confidential Appendix 1, and is less than the previously agreed reserve figure (also recorded in Confidential Appendix 1). The applicant has advised Brightwells Ltd that they can complete the purchase of the site within 28 days of exchange of contracts (which should in itself be straightforward, as a contract already exists, prepared in readiness for the October 2019 auction).

3. Advice

- 3.1 In correspondence, Brightwells Ltd report that two other parties have shown some interest in the site, although both have withdrawn, one following receipt of the legal pack and another following the submission of a conditional offer.
- 3.2 The portfolio holder is advised that the current planning permission on the site is for outline development only, and a reserved matters

application will need to be submitted before March 2021 as beyond this date, the current outline consent will lapse. Being located in what is now classified as open countryside, there is no prospect of renewing the outline permission and if not sold or reserved matters approval obtained, the land will revert to agricultural use only. Estimated costs associated with obtaining reserved matters consent are likely to be in the region of £40 – 50,000 (figure provided by Engineering and Design Services).

- 3.3 The advice from the external auctioneer is that although the proposed sale price is lower than was originally anticipated, the land has been on the market for some considerable time – long before Brightwells were appointed to offer it at auction. They also consider the current offer to be reflective of market transactions locally at the current time. Appendix 1 also includes comparable sales evidence provided by the external agents, which indicates that the sale price is not unrealistic in the current climate, especially given the topographical and infrastructure limitations of this particular site.
- 3.4 Officers' recommend that the advice of the external agent should be accepted at this time, and the land sold in accordance with the offer detailed at Appendix 1.

4. Resource Implications

4.1 The sale of the property at the figure reported in Confidential Appendix 1 will show as a loss in the Council's accounts, to be funded from unusable reserves. The property was valued by Savills as part of the 2018 Asset Valuations (Surplus Property) at £250,000.

4.2 There are no revenue implications attached to the sale of the property. It is excluded from the tenancy of its original substantive asset, Rogerstone Farm, where the tenant has been permitted to graze the land during marketing to save on revenue costs.

4.3 The Head of Finance (Section 151 Officer) notes the content of the report, in particular the comparable sales evidence provided by the external agents, which indicates that the sale price is not unrealistic in the current climate. The recommendation can be supported from a financial perspective and will generate a capital receipt to support the Councils Capital Programme.

5. Legal implications

5.1 The legal department will support the recommendations and will assist in any legal matters when and where required noting that completion is to take place within 28 days following exchange of Contracts (Principal Legal Assistant - South).

5.2 The Head of Legal and Democratic Services (Monitoring Officer) has commented as follows: “ I note the legal comment and have nothing to add to the report”.

6. Data Protection

6.1 Not applicable

7. Comment from local member(s)

7.1 The local member for the area is Cllr James Gibson-Watt. He has been advised of the proposed sale by email on 9 July but not of the proposed sale price. Although it is known Cllr Gibson-Watt has received and opened the email on that date, no comment has been supplied for inclusion in this report.

8. Integrated Impact Assessment

8.1 Impact Assessment is not required in this instance. The land is surplus to requirements and has not been operational for a considerable time.

8. Recommendation

8.1 That the offer submitted by Brightwells on behalf of the prospective purchaser and set out in confidential appendix 1 should be accepted.

8.2 Appendix 1 should remain confidential until after the sale has been completed.

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