

CYNGOR SIR POWYS COUNTY COUNCIL

PORTFOLIO HOLDER DELEGATED DECISION

by

COUNTY COUNCILLOR PHYL DAVIES

PORTFOLIO HOLDER FOR SCHOOLS AND PROPERTY

September 2020

REPORT AUTHOR: Commercial Property Manager

REPORT TITLE: Disposal of former Highways Depot and Vehicle Workshops, Talgarth

REPORT FOR: Decision

1. Purpose

1.1 To seek approval to Officer Recommendation to accept an offer for the former Highways Depot and Vehicles Workshops, Talgarth.

2. Background

2.1 The marketing of this site began some four years ago, and at the time the Council sought offers in excess of £250,000 for the freehold of this site – which is severed by a public right of way – and is shown edged red on the attached plan.

2.2 Although a number of enquiries have been received over the years, and a range of offers received, none of them reached the asking price – with potential purchasers citing reasons such as asbestos presence, potential ground contamination (from the site's former use), the public right of way, and the lack of planning permission for alternative uses for their low offers. This last reason is considered to be potentially less significant than some of the others, especially as although it is not allocated for any specific use the site is located within the town's established development limits and, as a brownfield site, is considered likely to receive a favourable planning outcome for a number of alternative uses.

2.3 Throughout this marketing period, modest revenue income was obtained by occasional short-term lettings.

2.4 As a consequence of the low levels of interest, the marketing guide was reduced to £240,000 in late 2019 and this modest reduction has stimulated new interest in the site with two parties competing against each other in recent weeks.

3. Advice

- 3.1 Officers have undertaken negotiations with potential purchasers seeking their best informal offer and any terms or conditions associated with those offers (see attached Confidential Report – Appendix 1).
- 3.2 After giving due consideration to both final offers, officers are satisfied that the offer recommended for acceptance is the highest and best offer received for this site, and that the applicant has demonstrated they are in receipt of funds. It should be noted that the completion of the purchase is dependent upon the receipt of planning permission and to enable the applicant to commit appropriate funding to such an application, this recommendation of sale includes a further recommendation that the applicant enters an appropriate Option Agreement.
- 3.3 The Option Agreement will require the applicant to pay a 5% non-refundable Option Fee which will secure the property for them whilst they proceed with the relevant planning application. They have allowed a maximum six-month timeframe in their programme to secure planning for their proposals, with completion of a purchase with 28 days of obtaining that permission. This means that if successful, depending upon the length of the planning process, the full capital sum could be delivered within the current financial year.
- 3.4 In the event that a planning application has been submitted and validated but not determined during the six-month timeframe due to delay outside of the applicant's control, an extension of time will need to be granted until the outcome is known. Similarly, if the applicant receives a refusal notice, additional time will need to be given for an appeal to be made, if the applicant chooses to do so.
- 3.5 The Option Fee will be deductible from the purchase price should the applicant be successful in gaining planning permission; if unsuccessful, the Option Fee will be non-refundable, and the applicant will not be obliged to complete the purchase.
- 3.6 The Portfolio Holder is asked to support the recommendation in paragraph 9.1 below, to ensure that as soon as an option agreement is completed, the party can submit a planning application and a sale can proceed as swiftly as possible to achieve an early completion and good capital receipt.

Resource Implications

- 4.1 The property has a carrying value in the Council's accounts of £250,000 (Savills, Asset valuation of surplus property, April 2019). The sale will result in a gain in the balance sheet which will be added to the unusable reserves.

- 4.2 The sale will remove a revenue maintenance liability for the Council as well as public liability issues associated with the ownership of a dilapidated former depot premises located close to the town centre and residential areas, such as vandalism, semi-derelict buildings, vehicle inspection pits and so on.
- 4.3 The Head of Finance (Section 151 Officer) notes the content of the report.

Legal implications

- 5.1 The legal department will assist in any legal matters when and where required, and further support the recommendation to accept the sale for the proposed price subject to the Option Agreement (Principal Legal Assistant South (VJ))
- 5.2 The Deputy Monitoring Officer notes the content of the report, the legal comment and supports the recommendation and can support the recommendation

6. Data Protection

- 6.1 N/A

7. Comment from local member(s)

- 7.1 The local member, Cllr William Powell, is aware of the marketing of this site and of some of the parties who have expressed an interest and is supportive of an early sale – particularly where it may lead to the redevelopment of this rather unattractive site, on one of the main entrances to the town.

8. Integrated Impact Assessment

- 8.1 Not required – the site has ceased to be operational for some time.

9. Recommendation

- 9.1 Officers recommend that the highest and best offer received for this property following the recent marketing campaign should be accepted, subject to the purchaser entering into an Option Agreement on the payment of a non-refundable 5% option fee. The offer is detailed in Confidential Appendix 1 attached.

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DELEGATED DECISION NEW REPORT TEMPLATE VERSION 2