



## **CABINET – 6TH SEPTEMBER 2017**

**SUBJECT:       WORKS TO FACILITATE THE DISPOSAL OF PONTLLANFRAITH HOUSE SITE**

**REPORT BY:    ACTING DIRECTOR OF CORPORATE SERVICES**

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### **1.     PURPOSE OF REPORT**

- 1.1     To seek approval to the procurement of both the demolition of Ty Pontllanfraith House and the necessary site and other investigations to inform the disposal process and to ensure the necessary funds are made available to fund these costs.

### **2.     SUMMARY**

- 2.1     The site was marketed and three parties were invited for a formal interview. After further analysis of the bids a preferred purchaser was selected; discussions to refine the design are continuing.
- 2.2     The commercial element of the offer of purchase continues to be caveated and it is now clear that a net firm offer will not be established until a detailed ground investigation is completed. The buildings continue to incur cost and it is proposed that the Council directly procures both the demolition of the buildings, and the necessary site and other investigations to inform the disposal process.

### **3.     LINKS TO STRATEGY**

- 3.1     The contents of this report link to the following key strategic objectives:
- 3.2     The Council's Medium-Term Financial Plan (MTFP).
- 3.3     The proposal contributes to the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2015:
1.     A prosperous Wales
  2.     A Wales of cohesive communities

### **4.     THE REPORT**

- 4.1     Policy & Resources Scrutiny Committee, on 17th June 2014 endorsed the principle to begin a consultation to close Pontllanfraith House and Council, on 25th February 2015, approved the closure as part of the MTFP savings.
- 4.2     Marketing of the site for housing commenced in June 2015, with Expressions of Interest requested by 31st July 2015.

- 4.3 Supplementary Planning Guidance in the form of a Development Brief was approved by Council on 8th March 2016, and the development was advertised in the Estates Gazette the following month with a closing date for “best bids” of 1st July 2016.
- 4.4 None of the bids submitted were fully compliant with the Development Brief, and revised bids were invited. All parties were invited to meet with CCBC Planning Department prior to submitting a revised offer. Upon receipt of the revised offers there was a range of bids having varying degrees of compliance with the Development Brief.
- 4.5 Three parties were invited for a formal interview and after further analysis of the bids a preferred purchaser was selected on 25th January 2017; discussions to refine the design have continued, collaterally with drafting legal documentation, to facilitate entering into a contract conditional on a satisfactory detailed planning consent for residential development.
- 4.6 Discussions have continued with the preferred purchaser and whilst the development proposals have been suitably developed the commercial element of the offer continues to be heavily caveated. It is clear that these caveats will not be removed and the associated risk priced until a detailed ground investigation is completed. It is therefore proposed that the Council procures a detailed ground investigation and the preferred purchaser will then provide a firm net offer that reflects the findings. The resulting net offer may or may not then be acceptable.
- 4.7 It was previously envisaged that the site purchaser would manage the demolition of the buildings but as the completion of the sale is taking longer than envisaged, and the empty buildings continue to incur costs, it is now proposed that the Council directly procures the demolition of the buildings.
- 4.8 Whether the preferred purchaser or the Council procures the demolition and ground investigations is cost neutral as both elements were Council risk items in the procurement process.

## 5. WELL-BEING OF FUTURE GENERATIONS

- 5.1 This proposal does contribute to the Well-being Goals as set out in Links to Strategy above. However, the proposal is a relatively minor one, being the demolition of buildings and the carrying out of the necessary site and other investigations to inform the disposal process, so its consistency with the five ways of working set out in the sustainable development principle, as defined in the Act, is limited. The overarching proposal within which this sits (the redevelopment of a part brownfield site) looks to the **long term** so that we do not compromise the ability of future generations to meet their needs in that it enables the provision of some 100 dwellings. Implementation of the proposal **involves** a diversity of the population in the decisions that affect them by offering an opportunity for home ownership.

## 6. EQUALITIES IMPLICATIONS

- 6.1 An Equalities Impact Assessment (EqIA) screening has been completed in accordance with the Council’s Equalities Consultation and Monitoring Guidance. No potential for unlawful discrimination and/or low level or minor negative impact have been identified and, therefore, a full EqIA has not been carried out.

## 7. FINANCIAL IMPLICATIONS

- 7.1 The buildings are locked, alarmed, insured and are inspected weekly. Also a key holder has been nominated and is called out should there be an alarm activation. All of the foregoing incur cost and standing charges for utilities apply. These ongoing costs are estimated at circa £6,000 per annum, but Furthermore NNDR liability applies at the rate of £117,764 per annum. Both will cease on demolition.

- 7.1 Demolition of the Civic Centre is anticipated to be in the order of £550,000.
- 7.2 A geotechnical desk study will be around £500.
- 7.3 A ground investigation and interpretive report will be circa £25,000.
- 7.4 These costs total £575,500, which (with a 10% contingency) amounts to approximately £630,000.
- 7.5 It is proposed that these costs are funded from the capital earmarked reserve of £7.469m set aside by Council 22nd February 2017.

## **8. PERSONNEL IMPLICATIONS**

- 8.1 There are no personnel implications arising out of this report.

## **9. CONSULTATIONS**

- 9.1 There are no views expressed as a result of consultation that differ from the recommendation.

## **10. RECOMMENDATION**

- 10.1 That approval is given to progress the demolition of the buildings, and the necessary site and other investigations utilising funding from the capital earmarked reserve. All works will be procured in line with the Authority's Standing orders for contracts".

## **11. REASON FOR THE RECOMMENDATION**

- 11.1 To reduce the level of risk being carried by the Council in the disposal of Pontllanfraith House.

## **12. STATUTORY POWER**

- 12.1 Local Government Acts 1972 and 2000.

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Background Papers:

Policy and Resources Scrutiny Committee - 17th June 2014 - Pontllanfraith House

Council - 26th February 2015 - Budget Proposals 2015/16 and Medium Term Financial Strategy 2015/16

Council - 8th March 2016 - Proposed Supplementary Planning Guidance - Pontllanfraith House

Council - 22nd February 2017 - Budget Proposals 2017/18 and Medium Term Financial Strategy 2017/18

