



CABINET - 12TH NOVEMBER 2014

SUBJECT: FORMER NEWBRIDGE LIBRARY

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND S151 OFFICER

1. PURPOSE OF REPORT

1.1 To seek Cabinet's view on the proposed options concerning the disposal of the site of the former Newbridge Library.

2. SUMMARY

2.1 The former Newbridge Library site is now surplus to the requirements of the holding Service and no ongoing operational use has been identified.

2.2 Whilst the building remains vacant and the responsibility of the Council, it is likely that the building condition will continue to deteriorate and the associated running costs such as NNDR will be ongoing.

2.3 Therefore, 4 options for disposal are proposed for consideration;

2.4 Option 1 would be to dispose of the property on the open market.

2.5 Option 2 would be to dispose of the Council's interest, either through a freehold sale or leasehold disposal to those external parties who present the most favourable business case.

2.6 Option 3 would be to dispose of the asset via an Asset Transfer to a suitable third sector organisation, such as those that are not for profit or charitable organisations.

2.7 Option 4 would be a staged approach, whereby Option 1 could be initially tested and if unsuccessful, Options 2 and 3 pursued.

2.8 If applicable, the Asset Management Group would consider any business proposals and make appropriate recommendations to CMT/Cabinet via a further Cabinet report.

2.9 If Cabinet approves any of the above options, it is requested to delegate the decision regarding the terms of sale or lease to the Head of Performance and Property.

3. LINKS TO STRATEGY

3.1 Under its approved Asset Management Objectives, the Authority aims to manage its land and buildings effectively, efficiently, economically, and provide a safe, sustainable and accessible living and working environment for all users.

3.2 The Authority has a medium term financial plan (MTFP), which includes cost saving targets resulting from the disposal of assets.

- 3.3 Asset Transfer and community use of assets, will support the Welsh Government agenda One Wales – progressive agenda for the Governance of Wales, which emphasises the potential for Social Enterprise to meet a variety of social, economic and environment needs.

4. THE REPORT

- 4.1 The site of the former Newbridge Library, shown edged black on the attached plan, measures approximately 470 sq.m. The site consists of the former library building and a small area of open space. The building, constructed circa 1970, measures approximately 123 sq.m. GEA. It is of single storey timber clad construction with a flat felt roof. Within the building, there is a large open plan area, with small toilet and kitchen facilities.
- 4.2 The Council holds the freehold interest in the library site, which forms part of a wider site that is in third party ownership. There is currently a disused health clinic and car parking area located on this area of the site.
- 4.3 A recent condition survey indicates that a sum of £53,034 is required to put the accommodation into a reasonable standard over a 5-year period. There are a number of internal and external elements identified as requiring replacement. It is estimated that demolition would cost in the region of £20,000 – £25,000 plus fees.
- 4.4 The site is now surplus to the operational requirements of the Library Service as a new library facility has been provided nearby, and no alternative operational use has been identified to date.
- 4.5 Whilst the building remains vacant and the responsibility of the Council, it is likely that the building condition will continue to deteriorate and the associated running costs, such as NNDR will be ongoing.
- 4.6 The third party landowner wishes to develop their part of the site and has proposed a residential development. Once this area has been developed, access to the former library site will be via the existing pedestrian access point at Church Road. There is also a possibility of introducing access to the rear of the library site from Thorne Avenue which is currently fenced off.
- 4.7 Legal Services has advised that there are no issues or considerations that would affect a disposal.
- 4.8 Planning Services advise that the site is not allocated or designated for any particular use within the adopted LDP, but lies within the settlement boundary. Therefore, there are no in principle objections to disposing of the site. As it is in a predominately residential area, it is likely to be considered acceptable in principle for residential development. All relevant policies will need to be satisfied particularly those in relation to access, highways and design. This option is addressed in option 1 below.
- 4.9 There are four options available to Cabinet for consideration;

Option 1

- 4.10 Option 1 would be to sell the freehold interest on the open market or via a leasehold disposal at market value.
- 4.11 As no operational requirement has been determined, officers have no objection to recommending a disposal. A freehold disposal would present the opportunity to achieve a capital receipt and transfer the Council's ongoing liability.

- 4.12 Delivery of a sale is more certain in that the property can be taken to auction in the event of difficulties during a private treaty process.
- 4.13 Consideration has been given to progressing a joint residential development with the freeholder of the adjoining land. Preliminary investigations suggested that access onto Ashfield Road is restricted and would require considerable modification to achieve modern day highway standards. The cost of these works could be substantial and impact on the potential shared capital receipt. There would also be shared costs associated with site investigations, professional fees and infrastructure costs. The potential capital receipt would be pro rata to represent the percentage split for the freehold interest.
- 4.14 Due to the likely high costs involved in progressing a joint scheme, the possibility of developing the site in isolation of the wider site, utilising the alternative access route (rear of Church Lane or Thorne Avenue) has been deemed as the more viable option. Access to the site from the rear of Church Road has been determined to be unacceptable in planning terms. However, Planning has advised that access from Thorne Avenue could be possible due to the limited size of the site and potential number of dwellings.
- 4.15 Prior to progressing with a disposal via option 1, a planning application would be submitted to obtain out line planning consent for a residential development to ensure that access from Thorne Avenue could be formerly considered.

Option 2

- 4.16 The site has not yet been taken to the market, however, there have been a limited number of enquiries regarding the future use of the site, one of which from a community organisation. Should an organisation wish to develop the site, we would require the submission of a viable business case detailing a firm proposal.
- 4.17 Therefore, Option 2 would be to offer, via freehold sale or leasehold disposal, the opportunity for interested parties to submit detailed proposals and supporting business cases for acquisition of the former Library.
- 4.18 Interested parties would be asked to submit firm proposals and a business case that could be considered by the Asset Management Group (AMG). The AMG would consider submitted business cases and make appropriate recommendations to CMT/Cabinet. Proposals would be assessed against criteria such as, financial viability, sustainability and suitability to the local environment.
- 4.19 Proposals may fall outside of the current Planning use category and any change of use may trigger further planning considerations, such as parking requirements. This element could be fully investigated when full proposals are submitted for consideration.
- 4.20 If a leasehold disposal was determined to be the preferred route, it would allow the Council to benefit from a revenue stream and reduce the liability associated with the ongoing management and maintenance.
- 4.21 A leasehold disposal would also allow an interested party to choose between paying a premium for the lease ("buying" the land) and paying an annual rent. This would alleviate the need to find a capital sum that might preclude a number of parties from taking up the opportunity in the current financial climate and given the condition of the asset.

Option 3

- 4.22 The Third option could be an Asset Transfer to a suitable third sector organisation, such as those that are not for profit or charitable organisations. The Council does not have a formal Asset Transfer policy, however, previous applications have been considered on a case-by-case basis.

- 4.23 This option would secure a future community use of the site, bring benefits to our communities and contribute towards the Council's aims and objectives.
- 4.24 A proposal to dispose of the site via a Community Asset Transfer gives the opportunity to transfer the freehold interest or grant leasehold interest at less than best consideration. This could either be at a reduced cost or free of charge. The level of subsidy could be determined by the social, economic or environmental benefits generated by the transfer. A lease transfer would enable controls to be included in the lease/agreement to enable the Council to monitor the financial ability of the organisation in managing the asset.
- 4.25 If the asset was transferred to a third sector organisation, they could then look to secure external grant aid to assist or fund the refurbishment or remodelling of the premises.
- 4.26 The Council would need to assess any organisation against criteria such as the viability of the proposal, financial forecasts, sustainability and governance arrangements in order to be satisfied that the organisation taking on the asset has the capacity to manage the facility on a sustainable basis. Therefore any interest party would be required to submit a business proposal and develop a business plan for assessment.
- 4.27 Should the Council be minded to dispose of an asset at an undervalue, it will need to comply with the Local Government Act 1972, sections 123-127: General Disposal Consent (Wales) 2003, which allows a local authority to dispose of land at less than best consideration without the specific consent of the National Assembly, provided:
- The disposal contributes to the promotion or improvement of the economic, social or environmental well-being of its area, or all or any persons resident or present in its area, and
 - The under value does not exceed £2m.

These criteria are linked to the "well-being" powers contained in the Local Government Act 2000, which states that every local authority has the power to do anything that it considers likely to achieve the promotion or improvement of well being in its area.

Option 4

- 4.28 Option 4 would be a staged approach, whereby Option 1 could be initially tested and if unsuccessful, Options 2 and/or 3 pursued.
- 4.29 If Cabinet approve Options 2 or 3, a further report will be submitted outlining Asset Management Group recommendations for the preferred end use once business proposals had been considered.
- 4.30 Should Cabinet approve any of the above options, it is requested to delegate the decision regarding the terms of sale or lease to the Head of Performance and Property.

5. EQUALITIES IMPLICATIONS

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

6. FINANCIAL IMPLICATIONS

- 6.1 Depending on which option is pursued, the disposal of the land will produce a capital receipt and/or revenue stream and relieve the Council of its maintenance obligations.

- 6.2 There will be an annual revenue saving to the Council for not holding the asset. For example, for 2011/2012, the building running costs were circa £13k, this sum includes general utilities and NNDR. Some liabilities will be ongoing whilst the building remains the responsibility of the Council.

7. PERSONNEL IMPLICATIONS

- 7.1 There are none.

8. CONSULTATIONS

- 8.1 There have been no views expressed that have not been incorporated into this report.
- 8.2 Councillors' Ackerman, Baker and Johnston and the Newbridge Community Partnership have outlined their wish see the area used for amenity or recreational space or for an alternative community use. This is addressed in options 2 and 3 above.

9. RECOMMENDATIONS

- 9.1 Cabinet is asked to consider the options set out above and to make a decision on which to take forward.
- 9.2 If the resolution is to approve Options 2 or 3, a further Cabinet report to be submitted outlining AMG recommendations for the preferred end use following consideration of any business proposals submitted.
- 9.3 Delegate the decision regarding the detailed terms of the sale or lease to the Head of Performance and Property and Cabinet Member for Performance, Property and Asset Management.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 The Council has no operational requirement for the land.
- 10.2 The disposal of the land will release the Council from ongoing maintenance obligations.

11. STATUTORY POWER

- 11.1 Local Government Act 1972, Local Government Act 2000 and General Disposal Consent (Wales) 2003. This is a Cabinet function.

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Newbridge Partnership

Appendices:

Appendix 1 - Former Newbridge Library Site Plan