

Meeting of:	<b>Cabinet</b>
Date of Meeting:	<b>Monday, 16 November 2020</b>
Relevant Scrutiny Committee:	Environment and Regeneration
Report Title:	Proposal to market the Barry Island Station Building and associated land.
Purpose of Report:	To report on the proposal for the marketing and the disposal of the Barry Island Station and associated land.
Report Owner:	Deputy Leader and Cabinet Member for Regeneration and Education
Responsible Officer:	Rob Thomas, Managing Director
Elected Member and Officer Consultation:	<p>Marcus Goldsworthy, Head of Regeneration and Planning</p> <p>Mark White, Major Project Manager</p> <p>Carolyn Michael, Operational Manager, Accountancy</p> <p>Lorna Cross, Operational Manager (Property)</p> <p>Phil Chappell, Operational Manager Regeneration</p> <p>Victoria Robinson, Operational Manager, Planning and Building Control</p> <p>Victoria Davidson, Operational Manager, Legal Services</p>
Policy Framework:	This is a matter for Executive decision
Executive Summary:	<ul style="list-style-type: none"> <li>The report seeks Cabinet authority to market and dispose of the building for refurbishment/renovation and further development with the current tenant incumbent.</li> </ul>

## **Recommendations**

- 1.** That delegated authority is granted to the Head of Regeneration and Planning (in consultation with the members of the Barry Regeneration Board "the Board") to market and dispose of by way of a 999 year lease the Barry Island Station Site (indicatively edged in Appendix A) as a mixed use development opportunity, for two or more of the following revised range of uses: Food and Drink (Use Class A3), Business (Use Class B1), Financial and Professional Services (Use Class A2), Assembly and Leisure (Use Class D2), Shops (Use Class A1 as an enabler), Residential (Use Class C3 as an enabler), Live/Work (as an enabler), subject to necessary planning permissions, Welsh Government consent to the disposal and Network Rail's agreement to any development options accepted as a preferred scheme.
- 2.** That delegated authority is granted to the Managing Director, the Head of Finance, the Monitoring Officer/Head of Legal and Democratic Services and the Head Planning and Regeneration in consultation with the Leader of the Council and Cabinet Member for Regeneration and Education (Members of the Board) to make decisions connected to the marketing and disposal of the Barry Island Station Site as referred to in recommendation 1 above.
- 3.** That delegated authority is granted to the Head of Regeneration and Planning to appoint marketing agents and other consultancy support as may be required for the marketing and disposal of the Barry Island Station site.
- 4.** That delegated authority is granted to the Monitoring Officer/Head of Legal and Democratic Services to prepare, execute and complete all legal documentation required to facilitate the disposal of the site, subject to the consent of Welsh Government.
- 5.** That Cabinet authorise the virement of funding from the Barry Regeneration Fund Capital Programme allocation to a new scheme to cover the costs of marketing and disposal of the Barry Island Station Site.
- 6.** That Cabinet notes that there shall be provision made in the Agreement referred to in recommendation 4 above for a deduction of the associated marketing costs from the receipt of funds on disposal prior to repayment to Welsh Government.

## **Reasons for Recommendations**

- 1.** To authorise the marketing and disposal of the Barry Island Station building together with the demise indicated.
- 2.** To authorise the members of the Barry Regeneration Board to make decisions regarding the marketing and disposal of the site.
- 3.** To authorise the appointment of marketing agents for the marketing agent commission and/or other consultants as may be required to achieve project delivery.
- 4.** To enable the preparation and execution of a legal Agreement and completion of the disposal of the site.

5. To authorise the budget for the marketing and disposal of the site.
6. To ensure that the marketing costs and capital receipts are accounted for.

## **1. Background**

- 1.1 The Barry Island Station building was acquired by the Council as part of a proposal to provide a home for the newly formed Vale of Glamorgan Railway Company ("the VGRC"). The VGRC was formed in 1977 as the Butetown Historical Railway Society (BHRS) which was formerly based in the historic Taff Vale Railway (TVR) station on Bute Road (now Cardiff Bay) in Cardiff. The Society was required to vacate those premises as the Cardiff Bay Development proposals emerged and an agreement was reached to provide accommodation at the Barry Island station site.
- 1.2 The VGRC operated under a licence from the station building until 2008 when the railway project was marketed to identify a new operator who would not require financial support from the Council. A Lease was entered into with Cambrian Transport in May 2010. The lease is due to end in 2030.

## **2. Key Issues for Consideration**

- 2.1 It is proposed to market the Barry Island Station Site (indicatively edged in Appendix A) and to dispose of the land by way of a 999 year lease for a mixed use development opportunity for two or more of the following revised range of uses: Food and Drink (Use Class A3), Business (Use Class B1), Financial and Professional Services (Use Class A2), Assembly and Leisure (Use Class D2), Shops (Use Class A1 as an enabler), Residential (Use Class C3 as an enabler), Live/Work (as an enabler) and market, subject to the necessary planning permissions and Welsh Government consent.
- 2.2 The land parcel being considered for disposal was acquired by the Council via a number of individual acquisitions in support of the Heritage Railway project. A title search has indicated that a range of restrictive covenants were included in all of conveyance documents and that the impact of any proposed scheme upon the railway network will need to be considered and agreement from Network Rail will need to be sought where any development could be considered to breach any of the restrictive covenants in place. The details of the restrictive covenants will, therefore, need to be included in any marketing documents and an appropriate Agreement to Lease document will need to include requirements for seeking Network Rail approvals as well as gaining planning permission.
- 2.3 As the land parcels were acquired under, then Welsh Development Agency funding agreements and Short Form acquisition arrangements the agreement of the Welsh Government to disposal will also be required.
- 2.4 The disposal of and subsequent refurbishment/redevelopment of the Barry Island Station Site would align with the Council's continued delivery of its wider regeneration plans for Barry Island, enhance a local historic building, boost the local economy by securing investment and create new jobs. Cambrian Transport

has experienced challenges to opening the station building to the public on dates other than those when the heritage railway is operating and recent interest in the refurbishment/redevelopment of the site is considered to be an opportunity for more significant and substantial use of the building and much needed investment. The intention is to market the building with the tenant incumbent.

### **3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?**

- 3.1** The report considers the current condition and occupation of the building and proposes marketing the building in order that new investment on the site may be made possible. Any development proposal would be discussed with the local community through the local planning process. New investment at the site would be one of a range of sites being considered for further development at Barry Island and would fall within the planning guidance in place.

### **4. Resources and Legal Considerations**

#### **Financial**

- 4.1** A capital budget of £20,000 will be set aside from the Barry Regeneration Fund Capital programme allocation to cover the marketing and disposal costs.
- 4.2** In accordance with the provisions of the Short Form Acquisition agreement any receipts from the disposal of the site are due to be returned to the Welsh Government as beneficiary of the former Welsh Development Agency agreements.

#### **Employment**

- 4.3** There are no employment implications as a result of this proposal but is expected that additional employment opportunities would emerge as a result of additional investment.

#### **Legal (Including Equalities)**

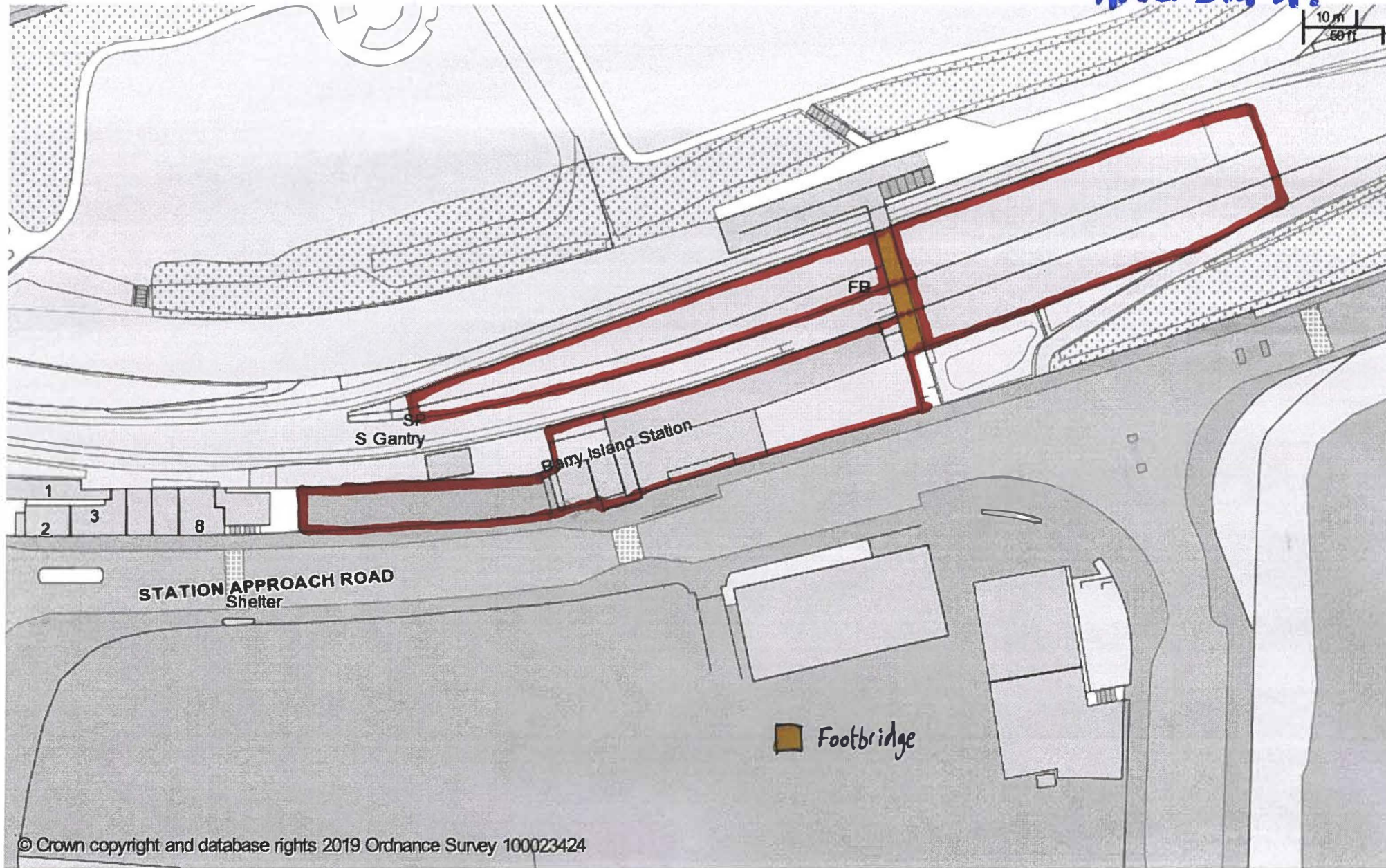
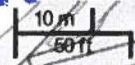
- 4.4** The Vale of Glamorgan Council owns the freehold interest in the property. As mentioned, part of the property is subject to a lease with Cambrian Transport (Cambrianco) Limited which does not expire until 2030. Therefore, the disposal will be subject to this lease and with the tenant's consent. Furthermore, any proposal to redevelop etc., will take account of this interest.
- 4.5** The Council has a statutory and fiduciary duty pursuant to section 123 of the Local Government Act 1972 to secure the best consideration possible for any property disposal. A lease granted for a term of years in excess of 7 years would be deemed a disposal under this Act.

- 4.6** As mentioned, the Council acquired the property under the terms of a Welsh Development Agency 'Short Form Acquisition Agreement' and therefore, the disposal of the property to a developer requires Welsh Government approval and consent.
- 4.7** As further mentioned previously, due to the location of property and in addition to planning approval, there may be other consents and approvals required to deal with the covenants and obligations that may impact on the proposed development site.
- 4.8** The Vale of Glamorgan Council owns the freehold interest in the land.
- 4.9** The Council acquired the site under the terms of a number of Short Form Acquisition Agreements and the disposal of the land therefore requires Welsh Government consent.

## **5. Background Papers**

None.

# APPENDIX A.



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