

Meeting of:	Cabinet
Date of Meeting:	Thursday, 25 January 2024
Relevant Scrutiny Committee:	Corporate Performance and Resources
Report Title:	Disposal of Freehold Interest in 119 Broad Street, Barry
Purpose of Report:	To seek Cabinet approval to dispose of the freehold interest in 119 Broad Street, Barry to Cardiff and Vale Citizens Advice Bureau
Report Owner:	Executive Leader and Cabinet Member for Performance and Resources
Responsible Officer:	Head of Finance/S151 Officer
Elected Member and Officer Consultation:	Strategic Insight Board Finance Support Manager Principal Lawyer, Property & Contracts team Committee Reports
Policy Framework:	This is a matter for Executive decision by Cabinet.
Executive Summary:	<ul style="list-style-type: none"> • Cardiff and Vale Citizens Advice Bureau (CAB) lease 119 Broad Street from the Council by virtue of a 4-year lease. They also own the adjacent property (121 Broad Street) and occupies both as its offices in Barry. The Council owned property at 119 Broad Street is shown delineated red on the plan at Appendix A. • Whilst negotiating the terms for a lease renewal, the tenant approached officers in the Estates team to enquire whether the Council would be minded to dispose of the freehold interest in 119 Broad Street to them. • The property is surplus to the Council's requirements and as such is recommended for disposal.

Recommendations

1. That the freehold interest in 119 Broad Street, Barry be declared surplus to the Council's requirements and disposed of to the Council's tenants Cardiff and Vale Citizens Advice Bureau Limited.
2. That delegated authority is granted to the Head of Finance/S151 Officer to agree terms and conditions for the disposal of the freehold interest in the property as shown edged red on the plan at Appendix A by the most appropriate means in consultation with the Monitoring Officer / Head of Legal & Democratic Services subject to the disposal being at market valuation.
3. That Cabinet authorises the Monitoring Officer / Head of Legal & Democratic Services to prepare, complete and execute all appropriate legal documentation required to dispose of the freehold interest in the property at the appropriate time.

Reasons for Recommendations

1. To declare the site surplus to requirements as the property is no longer required for accommodation purposes.
2. To ensure that the Council obtains best consideration for the property in accordance with its statutory and fiduciary obligations.
3. To legally formalise the disposal of the property to obtain a capital receipt which will be used for to contribute to asset renewal on the Council's remaining building assets.

1. Background

- 1.1 Cardiff and Vale Citizens Advice Bureau lease 119 Broad Street from the Council and are "holding over" on their current lease. Whilst negotiating terms for a new 3-year lease, the tenant requested to purchase the freehold interest in the building. This property is delineated red on the attached plan at Appendix A.
- 1.2 The tenant has been leasing the building from the Council since 1999 and currently receives a grant from the Council intended in part to cover the annual rental.
- 1.3 Following consultation with relevant internal stakeholders (via Strategic Insight Board), it was determined that the best course of action would be to proceed with the disposal of the freehold interest in the building.

2. Key Issues for Consideration

- 2.1** The Council has been approached by the tenant with a proposal to purchase the freehold of the property that they occupy by virtue of a 4 year lease. Officers commenced negotiations with CAB in respect of the renewal of the lease, however during that process the application was received from the Tenant to acquire the freehold.
- 2.2** The Council values the relationship with Citizens Advice which has been built up over many years. In recent years, this partnership has demonstrated clear benefits to citizens of the Vale of Glamorgan, in particular through the Coronavirus pandemic and more recently with the cost-of-living crisis. The Council continues to provide funding for Citizens Advice to support its activities in the Vale of Glamorgan, most recently an additional £30k from the Council's Cost of Living reserve for 2024/25. The Council is working with Citizens Advice and a range of partners to support their activities to be taken into different venues to maximise opportunities for residents to access help and support.
- 2.3** In accordance with the Council's disposal protocol the Strategic Insight Board has been consulted on the proposal and no alternative Council uses have been identified and no objection has been raised in connection with the Freehold disposal to CAB.
- 2.4** The capital receipt obtained from the disposal of the asset would be much needed and contribute towards asset renewal on the Council's remaining building assets.
- 2.5** Any disposal of the freehold would also be subject to the Council receiving best consideration for the land and accordingly the freehold interest will be required to be determined by an external valuer and other terms and conditions being agreed. The terms and conditions of the sale will require the purchaser to pay the Council's costs associated with the disposal (including the cost of valuation).
- 2.6** It is proposed that the Council disposes of its freehold interest in the property and place a covenant on it to restrict the use of it to office or other appropriate business uses falling under use class B1 (Town and Country Planning Act 1987 as amended). In the event of the Council agreeing to remove the restrictive covenant at a future date, officers will ensure that a suitable claw back provision has been included in the sale documentation to guarantee that the Council benefits from any increased value that might result from a change of use in the future.

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

- 3.1** The Well-being of Future Generations Act 2015 ("the 2015 Act") requires the Council to think about the long-term impact of their decisions, to work better with people, communities and each other and to prevent persistent problems such as poverty, health inequalities and climate change.

- 3.2** The Council has committed as part of the Corporate Plan 2020-2025 to achieving a vision of 'Working Together for a Brighter Future'. This plan is reflective of the Welsh Government's Well-being of Future Generations Act and is comprised of four Well-being objectives to deliver this vision:
- Objective 1 - To work with and for our communities.
 - Objective 2 - To support learning, employment and sustainable economic growth.
 - Objective 3 - To support people at home and in their community.
 - Objective 4 - To respect, enhance and enjoy our environment.
- 3.3** To make sure we are all working towards the same purpose, the 2015 Act puts in place seven well-being goals on the Council. The 2015 Act makes it clear the listed public bodies must work to achieve all of the goals, not just one or two, these being:
- A prosperous Wales
 - A resilient Wales
 - A healthier Wales
 - A more equal Wales
 - A Wales of cohesive communities
 - A Wales of vibrant culture and Welsh Language
 - A globally responsible Wales
- 3.4** The capital receipt obtained from the disposal of the asset would contribute towards asset renewal on the Council's remaining building assets.
- 3.5** The 2015 Act imposes a duty on all public bodies in Wales to carry out "sustainable development", defined as being, "The process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the well-being goals." The action that a public body takes in carrying out sustainable development includes setting and publishing well-being objectives and taking all reasonable steps in exercising its functions to meet those objectives.
- 3.6** The 2015 Act sets out five ways of working needed for the Council to achieve the seven well-being goals, these being:
- The importance of balancing short-term needs with the needs to safeguard the ability to also meet long-term needs.
 - Considering how the Council's objectives impact upon each of the wellbeing goals listed above.
 - The importance of involving people with an interest in achieving the well-being goals and ensuring that those people reflect the diversity of the area which the Council services.

- Acting in collaboration with other persons and organisations that could help the Council meet its wellbeing objectives.
- Acting to prevent problems occurring or getting worse.

3.7 In disposing of the Freehold interest to Citizens Advice, the Council is working with one of its key partners to ensure we are acting collaboratively with organisations that could help the Council meet its wellbeing objectives and to support them to support some of our most vulnerable citizens.

4. Climate Change and Nature Implications

4.1 The disposal of this building will contribute to a small reduction in the Council's carbon footprint. As the building doesn't include any external area there is no change to the nature or biodiversity values as part of this disposal.

5. Resources and Legal Considerations

Financial

- 5.1 The disposal of the asset will reduce the revenue commitments for the Directorate of Corporate Resources in terms of maintenance and compliance testing of the property.
- 5.2 Citizens Advice Cardiff and Vale have agreed to cover the cost of Property and Legal officer's costs.
- 5.3 Whilst a small annual rental will be lost, the disposal of the freehold in this building would result in a valuable capital receipt which could be utilised to contribute towards asset renewal on the Council's remaining building assets or other capital schemes relating to our building assets.

Employment

- 5.4 There are no employment implications for this report.

Legal (Including Equalities)

- 5.5 A report on title has been completed by Legal Services. Nothing of concern has been raised in relation to the proposed disposal or intended use of the property by Cardiff and Vale Citizens Advice Bureau.
- 5.6 Under the Local Government Act 1972, the Council may dispose of property held by it in any manner they wish except that it has a statutory and fiduciary obligation to secure best consideration it reasonably can pursuant S123 of the 1972 Act. There are exceptions to this requirement however, the Council would not be looking to rely on these exceptions in this particular case. An external valuation report will certify the market value of the property for freehold disposal purposes in line with the aforementioned statutory requirement.

5.7 As mentioned above, it is intended that a covenant will be placed on the property disposed of, restricting its use to the purposes outlined in this report and where the appropriate claw back provisions will be incorporated into the sales documentation.

6. Background Papers

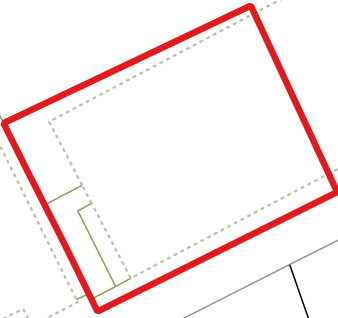
None.



Elis Fisher Court

1 to 42
Golau Caredig

BROAD STREET
Shelters
Shelter
Clinic



19.5m

119 Broad Street

1:500

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