

# Public Document Pack



Neuadd y Sir  
Y Rhadyr  
Brynbuga  
NP15 1GA

County Hall  
Rhadyr  
Usk  
NP15 1GA

Wednesday, 13 January 2016

Dear Councillor

## CABINET

You are requested to attend a **Cabinet** meeting to be held at **Council Chamber - Council Chamber** on **Thursday, 21st January, 2016**, at **5.00 pm**.

## AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. To consider the following reports (Copies attached):
  - i. **To receive the Call-In considered by Economy and Development Select Committee 5th January 2016 'Sale of County Hall site, Croesyceiliog - Revised bids'** 1 - 18

Purpose: To receive a report about revised bids for the sale of the county hall site, Croesyceiliog and to resolve whether to accept the recommendations proposed by TCBC officers.

Author: Roger Hoggins, Head of Operations

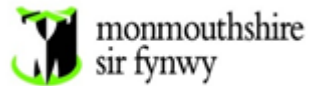
Contact Details: rogerhoggins@monmouthshire.gov.uk

Yours sincerely,

**Paul Matthews**  
Chief Executive

### CABINET PORTFOLIOS

County Councillor	Area of Responsibility	Partnership and External Working	Ward
P.A. Fox (Leader)	<b>Organisational Development</b> Whole Council Performance, Whole Council Strategy Development, Corporate Services, Democracy, Trading Standards, Public Protection, Licensing	WLGA Council WLGA Coordinating Board Local Service Board	Portskewett
R.J.W. Greenland (Deputy Leader)	<b>Innovation, Enterprise &amp; Leisure</b> Innovation Agenda, Economic Development, Tourism, Social Enterprise, Leisure, Libraries & Culture, Information Technology, Information Systems.	WLGA Council Capital Region Tourism	Devauden
P.A.D. Hobson (Deputy Leader)	<b>Community Development</b> Community Planning/Total Place, Equalities, Area Working, Citizen Engagement, Public Relations, Sustainability, Parks & Open Spaces, Community Safety, Environment & Countryside.	Community Safety Partnership Equalities and Diversity Group	Larkfield
E.J. Hacket Pain	<b>Schools and Learning</b> School Improvement, Pre-School Learning, Additional Learning Needs, Children's Disabilities, Families First, Youth Service, Adult Education.	Joint Education Group (EAS) WJEC	Wyesham
G. Burrows	<b>Social Care, Safeguarding &amp; Health</b> Adult Social Services including Integrated services, Learning disabilities, Mental Health. Children's Services including Safeguarding, Looked after Children, Youth Offending. Health and Wellbeing.	Gwent Frailty Board Older Persons Strategy Partnership Group	Mitchel Troy
P. Murphy	<b>Resources</b> Accountancy, Internal Audit, Estates & Property Services, Procurement, Human Resources & Training, Health & Safety, Development Control, Building Control.	Prosiect Gwrydd Wales Purchasing Consortium	Caerwent
S.B. Jones	<b>County Operations</b> Highways, Transport, Traffic & Network Management, Waste & Recycling, Engineering, Landscapes, Flood Risk.	SEWTA Prosiect Gwyrdd	Goytre Fawr



## Sustainable and Resilient Communities

### Outcomes we are working towards

#### **Nobody Is Left Behind**

- Older people are able to live their good life
- People have access to appropriate and affordable housing
- People have good access and mobility

#### **People Are Confident, Capable and Involved**

- People's lives are not affected by alcohol and drug misuse
- Families are supported
- People feel safe

#### **Our County Thrives**

- Business and enterprise
- People have access to practical and flexible learning
- People protect and enhance the environment

### Our priorities

- Schools
- Protection of vulnerable people
- Supporting Business and Job Creation
- Maintaining locally accessible services

### Our Values

- **Openness:** we aspire to be open and honest to develop trusting relationships.
- **Fairness:** we aspire to provide fair choice, opportunities and experiences and become an organisation built on mutual respect.
- **Flexibility:** we aspire to be flexible in our thinking and action to become an effective and efficient organisation.
- **Teamwork:** we aspire to work together to share our successes and failures by building on our strengths and supporting one another to achieve our goals.

## Cymunedau Cynaliadwy a Chryf

### Canlyniadau y gweithiwn i'w cyflawni

#### **Neb yn cael ei adael ar ôl**

- Gall pobl hŷn fyw bywyd da
- Pobl â mynediad i dai addas a fforddiadwy
- Pobl â mynediad a symudedd da

#### **Pobl yn hyderus, galluog ac yn cymryd rhan**

- Camddefnyddio alcohol a chyffuriau ddim yn effeithio ar fywydau pobl
- Teuluoedd yn cael eu cefnogi
- Pobl yn teimlo'n ddiogel

#### **Ein sir yn ffynnu**

- Busnes a menter
- Pobl â mynediad i ddysgu ymarferol a hyblyg
- Pobl yn diogelu ac yn cyfoethogi'r amgylchedd

### Ein blaenoriaethau

- Ysgolion
- Diogelu pobl agored i niwed
- Cefnogi busnes a chreu swyddi
- Cynnal gwasanaethau sy'n hygyrch yn lleol

### Ein gwerthoedd

- **Bod yn agored:** anelwn fod yn agored ac onest i ddatblygu perthnasoedd ymddiriedus
- **Tegwch:** anelwn ddarparu dewis teg, cyfleoedd a phrofiadau a dod yn sefydliad a adeiladwyd ar barch un at y llall.
- **Hyblygrwydd:** anelwn fod yn hyblyg yn ein syniadau a'n gweithredoedd i ddod yn sefydliad effeithlon ac effeithiol.
- **Gwaith tîm:** anelwn gydweithio i rannu ein llwyddiannau a'n methiannau drwy adeiladu ar ein cryfderau a chefnogi ein gilydd i gyflawni ein nodau.

# Public Document Pack Agenda Item 3a

## MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Economy and Development Select Committee held  
at Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA on Tuesday, 5th January,  
2016 at 12.00 pm

**PRESENT:** County Councillor S. Jones (Chairman)  
County Councillor S. White (Vice Chairman)

County Councillors: D. Edwards, D. Evans, B. Hayward and  
A. Wintle

Also in attendance County Councillor(s): D. Blakebrough, A. Easson,  
R. Harris, J. Higginson, S. Howarth, P. Murphy, V. Smith, F. Taylor and  
P. Watts

### **OFFICERS IN ATTENDANCE:**

Hazel Ilett	Scrutiny Manager
Nicola Perry	Democratic Services Officer
Peter Davies	Head of Commercial & People Development
Mark Hand	Head of Planning
Deb Hill-Howells	Head of Community Led Delivery

### **APOLOGIES:**

County Councillor J. Prosser  
Roger Hoggins – Head of Operations

#### **1. Declarations of Interest**

There were no declarations of interest made by Members.

#### **2. To consider a call-in in relation to the Cabinet Decision dated 2nd December 2015 'Sale of Old County Hall site, Croesyceiliog - Revised bids'. The following papers are attached for Members consideration:**

The Chair welcomed all present and introduced the following officers from Torfaen County Borough Council:

Robert Murray	Principal Planning Officer
Adrian Wilcott	Principal Planner
Victor Mbvundula	Asset and Disposal Manager

The Chair advised that the meeting had been convened to consider a Call-in request in respect of the Cabinet decision taken on 2<sup>nd</sup> December 2015 in respect of 'The sale of the old County Hall site, Croesyceiliog – revised bids'.

The Scrutiny Manager advised the Committee on the process as outlined in the Constitution. The purpose was to consider the appropriateness of a decision that had already been taken by the Executive, a decision that had been called-in by Members. Members were advised that the Committee was not able to make a decision themselves but were able to do one of the following:

## MONMOUTHSHIRE COUNTY COUNCIL

### Minutes of the meeting of Economy and Development Select Committee held at Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA on Tuesday, 5th January, 2016 at 12.00 pm

1. Accept the Cabinet's decision.
2. Refer the matter back to Cabinet for re-consideration (with reasons).
3. Refer the matter to Council for consideration.

The Chair invited Members who requested the call-in to briefly outline their reasons for calling in the decision. The following points were noted:

- Members requested assurance that the best deal for Monmouthshire had been negotiated, particularly in respect of the value of the land. MCC own half the land, alongside Torfaen County Borough Council and had paid half the demolition and negotiation costs but Members were concerned that we were not receiving half the land value.
- There were concerns that TCBC would be in receipt of Section 106 funds and long term revenue through Council Tax, but MCC share of the land value was reducing.
- There were concerns surrounding the market value of the land due to changes since the original bid, referring to the Police Headquarters site and the removal of the ancient woodland status.
- Reference was made to the benefit in kind from the planning application.
- Concerns were raised that the negotiations started in February had now ceased and new report had come forward referring to a new bidding process for the site.
- There were concerns that the increase in site, including the woodland, had not gone to full tender, which may have attracted more interest.
- There were concerns that there was no mention in the report that MCC would pick up the legal bill from TCBC.
- The value of the site was gauged by the developer having taken into account Section 106 and affordable housing requirements and under the current proposal MCC would receive 50% of the net value of the site, not gross value. TCBC would not only benefit from the capital receipt, but also from up to 66 affordable homes and Section 106 agreements.
- Members requested complete clarity on the costs incurred.

The Chair invited the Cabinet Member to provide a response.

The Cabinet Member thanked Members for the questions and advised that the position with regards to the transaction had been set out at the beginning of the period when the site was to be disposed of. It had been determined that MCC would be responsible for the demolition of the site and TCBC for the marketing and disposal of the site, which had been reasonable as the site was situated within Torfaen. Officers from TCBC were invited to respond to the Members questions during which time the following points were made:

- With regards to the value of the land, we were informed that TCBC had first started working with colleagues from Gwent Police as the allocation in the LDP was for both sites. Following a number of meetings the situation changed significantly with the introduction of the Police and Crime Commissioner. MCC and TCBC had then had to decide whether they were prepared to wait for the review or to proceed and market the site. The decision to market the one site was taken as it may have been two or three years until the decision was made to include the Police site.
- The offer put forward at this point was considerable higher than previously and officers were comfortable with the offer to both councils.

## MONMOUTHSHIRE COUNTY COUNCIL

### Minutes of the meeting of Economy and Development Select Committee held at Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA on Tuesday, 5th January, 2016 at 12.00 pm

- TCBC Policy Planners advised that in terms of the woodland, it would not increase the development area, there would still be a need for wildlife, as well as sound barriers from the dual carriageway.
- The Section 106 policy was thought to be fully justified and were the same standard regulations as MCC.
- Officers expressed that as the site was situated in Torfaen the effects of that development would be in that localised area.

The Head of Planning of MCC clarified that the Section 106 was not a financial benefit to Torfaen but money that had to be spent to offset the infrastructure development costs, and to extend the school for an increase in the number of children.

The Chair invited comments from Members of the Economy and Development Select Committee.

A Member questioned if both authorities were involved with the original negotiations. We heard that offers had been received and based on initial discussions, a preferred bidder had been recognised. The outcome of this meeting would determine if both authorities would enter into detailed negotiations.

The Head of Community Led Delivery assured Members that the management of the project was in conjunction with Monmouthshire and Torfaen. The Head of Operations for MCC sits on the project board and officers were comfortable with the process.

A concern was raised that MCC were picking up additional expenses through the demolition, and TCBC were picking up the benefits.

The Head of Community Led Delivery advised that all costs had been equally split. MCC had managed the demolition contract through the Property Services team which had been offset with Torfaen 50% funding of the costs. It was expressed that it was important to understand that we would only ever receive the net developer value. Torfaen Officers referred to the CIL charges being introduced in Torfaen, which would reduce the capital receipt. The Head of Planning agreed that depending on the levy set by Torfaen, the planning contributions could be higher and therefore land receipts lower.

A Member highlighted that the reason for the call-in was to establish if MCC was receiving the best value for the site because if the benefits in kind. There was a concern that the when the decision to sell the site was made Torfaen were working under a different LDP, and there had been a far lower requirement for social housing than the 30% being discussed presently. Officers responded that the 30% figure had been in place since 2011 and had been fully justified and scrutinised.

The Head of Community Led Deliver explained that the actual land value was based on what we are able to realise in terms of the market, abnormal development costs and planning gain costs would be deducted to give the net value of the site. Without the planning consent we would not achieve the net value. The net value has to include the planning costs.

## **MONMOUTHSHIRE COUNTY COUNCIL**

### **Minutes of the meeting of Economy and Development Select Committee held at Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA on Tuesday, 5th January, 2016 at 12.00 pm**

A Member referred to a statement in the Torfaen report that referred to the area of woodland. It was noted that the buffer for the woodland had reduced to 10 metres for woodland, which would increase the developable area.

A Member raised concerns with reference to fairness and stated that negotiations had devalued the land and MCC residents may have the view that MCC was subsidising a Torfaen development. It was questioned that as TCBC would gain from the benefit of an increase in Council Tax, if there was room for negotiation to agree to transfer an agreed amount of money on completion of the development. In response TCBC officers advised that as a planning authority Torfaen treated all landowners consistently. The Cabinet Member advised that the suggestion would be impossible to achieve within the legal framework.

A Member requested clarification on the total costs to date incurred in the disposal and demolition jointly, and MCC alone.

It was confirmed that the outline planning application covering the whole site had been withdrawn after a period of time and had not been fully granted. The Section 106 would need to be signed in a timely manner and was therefore not granted at that time. Members requested confirmation on the date of withdrawal and amount of the Section 106.

In order to assure Members of the costs to Monmouthshire to date officers would ask the Head of Operations to provide further information.

Members reiterated that there had been a lack of Member input with reference to negotiations.

The Chair advised the Committee that following the detailed discussion, Members needed to consider the way forward it was necessary to choose one of the following options:

1. Accept the Cabinet's decision,
2. Refer the matter back to Cabinet for re-consideration, with reasons,
3. Refer the matter to Council for consideration.

It was proposed, and duly seconded that the decision be referred back to Cabinet for re-consideration. Upon being put to the vote, the proposal was carried.

We resolved that the 'Sale of Old County Hall Site – revised bids' be referred back to Cabinet for re-consideration.

**The meeting ended at 1.35 pm**



**CALL IN REQUEST**

**1. SUBJECT:**

Sale of the Old County Hall Site Croesyfelin

**2. DATE OF CABINET MEETING:**

Wednesday 2nd December 2015

**3. CABINET DECISION:**

Decision 9

**4. REASON(S) FOR CALL- IN:**

Don't believe but Value has been reached or achieved for the site.

**5.**

**DATE RECEIVED:** 10/12/15

**6. MEMBERS CALLING-IN:**

(The Chairman of a Select Committee or any three non-executive members)

**Name**

**Ward**

Frances Taylor

Wintley

[Signature]

Trelech United

[Signature]

Southow

Simon Hayward

[Signature]

Please identify which Select Committee should hear the call in based on the reasons for the call in request

Economy - Development - Select

This page is intentionally left blank

**CABINET  
DECISION RECORDING LOG**

**DECISION DETERMINED ON: Wednesday, 2 December 2015**

**DECISION WILL COME INTO EFFECT ON: Friday 11<sup>th</sup> December 2015  
(Subject to “Call-in” by appropriate Select Committee)**

**CABINET MEMBERS PRESENT:**

County Councillors P.A. Fox, R.J.W. Greenland, E. Hacket Pain and P. Murphy

**OTHER ELECTED MEMBERS PRESENT:**

County Councillors D. Batrouni, R. Harris, S. Howarth, M. Powell and F. Taylor

**SUBJECT: Sale of Old County Hall site, Croesyceiliog - Revised bids**

**DIVISION/WARD AFFECTED:**

**PURPOSE:**

To receive a report about revised bids for the sale of the county hall site, Croesyceiliog and to resolve whether to accept the recommendations proposed by TCBC officers.

**DECISION:**

1. That Cabinet acknowledge the tender and negotiation process undertaken by Torfaen CBC officers to progress the sale of the county hall site and that Cabinet accepts on a “Subject to Contract” basis the offer for the purchase of its half share of the freehold interest in the former County Hall site to the preferred bidder offering the following sums depending on the eventual affordable housing scenario, with full payment being made on completion of sale.

Affordable Housing Percentage	Amount Offered for Entire Site	MCC Share (50%)
20%	£5,148,000	£2,574,000
30%	£4,662,000	£2,331,000

2. That Cabinet authorises the Torfaen CBC Legal and Asset Management Services to negotiate detailed contract terms for the disposal of the former County Hall site and manage the conveyancing process on behalf of both landowners.
3. That Cabinet grants specific delegated authority to the Head of Operations and Head of Finance in consultation with the Cabinet member for Resources to determine any issues pertaining to the disposal of MCC’s half share of the former County Hall site that may require further executive approval.

**REASONS:**

Whilst the report in February 2015 delegated some decision making to senior officers in consultation with cabinet members, the change in the original bid was such that further cabinet approval is considered necessary.

4.2 Torfaen CBC has considered the report attached (appendix 1) on the 3<sup>rd</sup> November 2015. All recommendations (section 12) were approved. For the sale to proceed requires MCC cabinet approval of the recommendations above (which mirror the TCBC recommendations).

**RESOURCE IMPLICATIONS:**

1. Generation of a capital receipt of either £2,331,000 or £2,574,000 depending upon the affordable housing allocation on the site.
2. MCC is liable to pay 50% of the costs incurred by TCBC in the management of the sale of the site. This figure is yet to be calculated by TCBC but the cost will be netted from the capital receipt.

**CONSULTEES:**

SLT  
Cabinet members  
Estates Manager

**INTEREST DECLARED**

None

**AUTHOR:**

Roger Hoggins

**CONTACT DETAILS**

E-mail: rogerhoggins@monmouthshire.gov.uk  
Tel: Tel: 01633644134

## REPORT

**SUBJECT: Sale of Old County Hall site, Croesyceiliog – Revised bids**

**MEETING: Cabinet**

**DATE: 2<sup>nd</sup> December 2015**

**DIVISION/WARDS AFFECTED: Not applicable**

### 1. PURPOSE

To receive a report about revised bids for the sale of the county hall site, Croesyceiliog and to resolve whether to accept the recommendations proposed by TCBC officers.

### 2. RECOMMENDATIONS

- 2.1 That Cabinet acknowledge the tender and negotiation process undertaken by Torfaen CBC officers to progress the sale of the county hall site and that Cabinet accepts on a “Subject to Contract” basis the offer for the purchase of its half share of the freehold interest in the former County Hall site to the preferred bidder offering the following sums depending on the eventual affordable housing scenario, with full payment being made on completion of sale.

Affordable Housing Percentage	Amount Offered for Entire Site	MCC Share (50%)
20%	£5,148,000	£2,574,000
30%	£4,662,000	£2,331,000

- 2.2 That Cabinet authorises the Torfaen CBC Legal and Asset Management Services to negotiate detailed contract terms for the disposal of the former County Hall site and manage the conveyancing process on behalf of both landowners.
- 2.3 That Cabinet grants specific delegated authority to the Head of Operations and Head of Finance in consultation with the Cabinet member for Resources to determine any issues pertaining to the disposal of MCC’s half share of the former County Hall site that may require further executive approval.

### 3. KEY ISSUES

- 3.1 On the 4<sup>th</sup> February 2015 cabinet approved the disposal of the county hall site Croesyceiliog. However the preferred bidder approved by Cabinet at

that time subsequently lowered its offer so significantly that it could not readily be deemed best value without seeking comparative offers.

- 3.2 Torfaen CBC officers commenced a new tender process (details are provided in the TCBC report approved by TCBC cabinet on the 3<sup>rd</sup> November – copy attached – appendix 1).
- 3.3 The preferred bid submitted in February 2015 is provided below:

<b>Affordable Housing Percentage</b>	<b>Amount Offered for Entire Site</b>	<b>MCC Share (50%)</b>
20%	£4,577,000	£2,288,500
30%	£3,410,000	£1,705,000

The preferred bid following the more recent process and for which approval is now sought is:

<b>Affordable Housing Percentage</b>	<b>Amount Offered for Entire Site</b>	<b>MCC Share (50%)</b>
20%	£5,148,000	£2,574,000
30%	£4,662,000	£2,331,000

The purchase price will be paid in full on completion. However, the offer is conditional on grant of an implementable planning permission as well the outcome of site investigations by the preferred bidder. Both conditions are considered to be low risk.

Under Section 123 of the Local Government Act 1972 local authorities have a duty to dispose of land for the best consideration that can reasonably be obtained at the time. The above offer is considered to readily comply with the statutory duty because it was the highest offer received under a competitive bidding process.

#### **4. REASONS**

- 4.1 Whilst the report in February 2015 delegated some decision making to senior officers in consultation with cabinet members, the change in the original bid was such that further cabinet approval is considered necessary.
- 4.2 Torfaen CBC has considered the report attached (appendix 1) on the 3<sup>rd</sup> November 2015. All recommendations (section 12) were approved. For the sale to proceed requires MCC cabinet approval of the recommendations above (which mirror the TCBC recommendations).

**5. RESOURCE IMPLICATIONS:**

- 5.1 Generation of a capital receipt of either £2,331,000 or £2,574,000 depending upon the affordable housing allocation on the site.
- 5.2 MCC is liable to pay 50% of the costs incurred by TCBC in the management of the sale of the site. This figure is yet to be calculated by TCBC but the cost will be netted from the capital receipt.

**6. FUTURE GENERATIONS and EQUALITY ASSESSMENT**

This report seeks approval for terms and conditions of sale of an asset. It has no impact upon any service nor makes any recommendations upon how the capital receipt might be used. As such a FG&E is not considered necessary.

**SAFEGUARDING ASSESSMENT:**

**There are no safeguarding implications associated with the recommendations within this report.**

**7. CONSULTEES:**

**SLT  
Cabinet members  
Estates Manager**

- 8. **BACKGROUND PAPERS:** Cabinet report on the 4<sup>th</sup> February 2015 titled 'Sale of old county hall site, Croesyceiliog'

**9. AUTHORS**

Roger Hoggins, Head of Operations  
CONTACT DETAILS: [rogerhoggins@monmouthshire.gov.uk](mailto:rogerhoggins@monmouthshire.gov.uk)

This page is intentionally left blank



**DISPOSAL OF THE FORMER COUNTY HALL SITE, CWMBRAN**

*Report Submitted by: Lynda Willis, Chief Legal Officer and Monitoring Officer*  
*Report Written by: Victor Mbvundula, Asset and Disposal Manager*

**1. Area Affected**

The property is situated in Llanyrafon North Ward.

**2. Purpose of Report**

To update Cabinet about developments regarding disposal of the Council's freehold interest of the former Country Hall site and to recommend for Cabinet approval acceptance of an offer from a different bidder in place of the one previously accepted.

**3. Key messages**

- The preferred bidder approved by Cabinet on 10 February 2015 subsequently lowered its offer so significantly that it could not readily be deemed best value without seeking comparative offers.
- A new bidding process based on updated information about the site was undertaken, limited to the six parties who had submitted offers when the site was originally marketed. This included the previously approved preferred bidder.
- The offer being recommended for acceptance on this occasion is from a different bidder.
- This offer is subject to refinement when the exact affordable housing requirements (whether 20% or 30%) are confirmed and foundation designs for each plot are verified in due course.
- The material change in the information cited in the original Cabinet report in February 2015 now requires Cabinet to consider making a further decision based on the contents of this report.

**4. Background**

4.1 The former County Hall site is jointly owned by Torfaen County Borough Council and Monmouthshire County Council. On 10 February 2014 Cabinet agreed to accept on a "Subject to Contract" basis the offer for the purchase of its half share of the freehold interest in the former County Hall site to the bidder that had offered the following sums, with full payment being made on completion of sale.

<b>Affordable Housing Percentage</b>	<b>Amount Offered for Entire Site</b>	<b>TCBC Share (50%)</b>
20%	£4,577,000	£2,288,500
30%	£3,410,000	£1,705,000

- 4.2 Further, Cabinet also:
- a) Authorised the TCBC Legal and Asset Management Services to negotiate detailed contract terms for the disposal of the former County Hall site and manage the conveyancing process on behalf of both landowners.
  - b) Granted specific delegated authority to the Executive Member for Resources to determine any issues pertaining to the disposal of TCBC's half share of the former County Hall site that will require further executive approval.

## 5.0 Issues and Findings

- 5.1 After the above offer was accepted, the preferred bidder undertook site investigations which resulted in what the company deemed to be unforeseen abnormal costs. The preferred bidder buyer also undertook pre-application planning discussions which resulted in a net reduction of plot numbers from 178 to 167. The company then sought to adjust its offer downwards by nearly £1,000,000.
- 5.2 Part of the net price change was based on two significant parameters that had changed, namely the woodland buffer and the mechanism for draining away surface water. Both are explained in detail in paragraph 5.3 below. Suffice it to say that the changes made it difficult to make a direct comparison between the preferred bidder's revised offer and the other original offers because the working assumptions were no longer consistent. Therefore, as there was a material change in the information on which the original decision was based, fresh offers were requested from all bidders based on the re-defined parameters. This was limited to only the parties who had submitted offers originally, including the original preferred bidder, notwithstanding its submission of a "final" revised offer.
- 5.3 Altogether the following parameters were redefined in the revised bidding process:
- a) *Woodland buffer*: The buffer between the proposed development and existing woodland was reduced in light of new information. The original larger buffer had been based on the classification of the woodland as being Ancient Woodland but this was latterly proven not to be correct. The significance of this was that the buffer reduction effectively increased the developable area.
  - b) *Attenuation*: It had been confirmed that there was a definite requirement for surface water attenuation to enable controlled discharge into the sewerage system or nearby watercourse as the case might be. All but one of the bidders, including the preferred bidder, had assumed no surface water attenuation. This is a significant development cost, and accounted for about half of the price reduction sought by the preferred bidder. So it was necessary to test this aspect by having everyone re-submit bids based on their own cost estimates for this item.
  - c) *Foundations assumptions*: Uniform assumptions regarding the split across the site for different foundation types were introduced to ensure consistency of costing. (The bidders originally made different assumptions on this aspect.)
  - d) *Security for deferred payments*: That offers involving phased payments would only be considered if they offered as security offered for the deferred payment a legal charge as well as a parent company guarantee, bank bond or equivalent cash security.

- 5.4 Four out of the original six bidders submitted revised offers. The other two opted out because in the intervening period they had since started pursuing other opportunities elsewhere in Torfaen.
- 5.5 All the revised offers were higher than previously submitted in December 2014 except for the one from the original preferred bidder. But even the original preferred bidder offered more than its “final” offer that had preceded the decision to seek revised offers. However, it was the lowest offer out of all four.
- 5.6 Following appropriate scrutiny, the offer being recommended for acceptance is from a different bidder, and is set out in the table below, by affordable housing percentage scenario. Torfaen County Borough Council is entitled to 50% of the amount in each case.

Affordable Housing Percentage	Amount Offered for Entire Site	TCBC Share (50%)
20%	£5,148,000	£2,574,000
30%	£4,662,000	£2,331,000

- 5.7 The purchase price will be paid in full on completion. However, the offer is conditional on grant of an implementable planning permission as well the outcome of site investigations by the preferred bidder. Both conditions are considered to be low risk.
- 5.8 Under Section 123 of the Local Government Act 1972 local authorities have a duty to dispose of land for the best consideration that can reasonably be obtained at the time. The above offer is considered to readily comply with the statutory duty because it was the highest offer received under a competitive bidding process.

## 6. Consultation

- 6.1 The Project Board comprising of senior officers from Monmouthshire County Council and Torfaen County Borough Council that is overseeing the decommissioning of County Hall was consulted regarding the decision to seek revised bids from all six original bidders. TCBC’s Head of Procurement was consulted for advice regarding the principle and process of seeking revised bids.

## 7. Policy Impact Assessment

- 7.1 See Policy Impact Assessment Matrix in Appendix 1.

## 8. Risks

- 8.1 *Planning:* The offer is subject to planning permission being granted for the developer’s proposed scheme. However, this is considered low risk since the site already allocated for residential development in the Local Development Plan. The developer submitted an indicative layout with its bid which is broadly deemed appropriate for the site. However, there will be no certainty of success in this respect until the due planning process has run its course.
- 8.2 *Change in circumstances:* There is a general risk with any disposal that the prospective buyer can withdraw from the transaction for a variety of reasons such

as changes in financial, economic or legal circumstances.

## 9. Action to be taken following decision

- 9.1 If the recommendation of this report is approved the following steps will be taken:
- All the bidders will be formally notified of the outcome regarding their respective offers.
  - Detailed contract negotiations with the new preferred bidder will be undertaken.
  - Solicitors will be instructed to undertake the conveyancing of the freehold interest; completion will depend on conditions to which the offer is subject being met.

## 10. Measure of success

- 10.1 Because the site is surplus to the Council's requirements its disposal will contribute to the Council's corporate priority of *"Using resources wisely, to include maintaining the highway infrastructure and reducing energy consumption and waste"*.

## 11. Conclusion/summary

- 11.1 Following a downward revision of the original preferred bid for the former County Hall site a fresh bidding process was undertaken but limited to only the six parties that had originally made offers. Some aspects of the tender guidance were amended. Four out of the six original bidders submitted revised offers based on the amended parameters; the other two declined the opportunity. The original preferred bidder's revised offer turned out to be the lowest so an offer from a different bidder is being put forward in this report for acceptance.

## 12. Recommendation(s)

- 12.1 That following receipt of revised bids, Cabinet accepts on a "Subject to Contract" basis the offer for the purchase of its half share of the freehold interest in the former County Hall site to the preferred bidder offering the following sums depending on the eventual affordable housing scenario, with full payment being made on completion of sale.

Affordable Housing Percentage	Amount Offered for Entire Site	TCBC Share (50%)
20%	£5,148,000	£2,574,000
30%	£4,662,000	£2,331,000

- 12.2 That Cabinet authorises the TCBC Legal and Asset Management Services to negotiate detailed contract terms for the disposal of the former County Hall site and manage the conveyancing process on behalf of both landowners.
- 12.3 That Cabinet grants specific delegated authority to the Deputy Leader, as executive portfolio holder for Resources and Governance, to determine any issues pertaining to the disposal of TCBC's half share of the former County Hall site that may require further executive approval.

<b>Appendices</b>	1. Appendix 1 – Policy Impact Assessment Matrix
-------------------	---

<b>Background Papers</b>	<p><b>Note: Members of the public are entitled, under the Local Government Act 1972, to inspect background papers to reports. The following is a list of the background papers used in the production of this report.</b></p> <p>Cabinet Reports dated:   12 July 2011;      25 March 2014;      10 February 2015</p>
--------------------------	---

<p><b>For a copy of the background papers or for further information about this report, please telephone:</b>          Victor Mbvundula, Asset and Disposal Manager          Telephone 01495 742899; Email <a href="mailto:victor.mbvundula@torfaen.gov.uk">victor.mbvundula@torfaen.gov.uk</a></p>
---

## Appendix 1 Policy Impact Assessment Screening Matrix

<b>Project/Activity</b>	Disposal of the former County Hall site		
<b>Project Manager:</b>	Victor Mbvundula	<b>Appraiser:</b>	Victor Mbvundula
		<b>Date:</b>	20 October 2015

Theme	Criteria	Type of impact Positive + Negative – None NA	Significance of impact High H Low L	Notes
<b>Resource Implications</b>	Legislation	N/A		Disposal of the site will generate a significant capital receipt for the Council.
	Finance	+	H	
	Communication	N/A		
	Employees	N/A		
	Partnership/Collaboration	N/A		
<b>Health</b>	Physical Health	N/A		
	Mental Health	N/A		
	Healthy Lifestyles	N/A		
<b>Education</b>	Educational Attainment	N/A		
	Basic Skills	N/A		
	Continuous Learning	N/A		
<b>Housing</b>	Good Quality Housing	+	H	Disposal of the site will enable residential development, subject to planning permission.
	Homelessness	+	H	
	Affordable Housing	+	H	
<b>Economy</b>	Poverty	N/A		
	Employment	N/A		
	Business	N/A		
	Community Enterprise	N/A		
<b>Equality</b>	Age	N/A		
	Disability	N/A		
	Gender	N/A		
	Marriage & Civil Partnership	N/A		
	Pregnancy & Maternity	N/A		
	Race	N/A		
	Religion & Belief	N/A		
	Sexual Orientation	N/A		
	Welsh Language	N/A		
	Group not achieving equality of service	N/A		
Human Rights	N/A			
<b>Safer Communities</b>	Crime	N/A		
	Anti Social Behaviour	N/A		
	Safety of area or people	N/A		
<b>Transport</b>	Public	N/A		
	Private	N/A		
	Walking / Cycling	N/A		
<b>Built Environment</b>	Local Distinction & Heritage	N/A		
	Waste & Recycling	N/A		
	Energy / Water Efficiency	N/A		
<b>Pollution</b>	Air / Water / Ground	N/A		
<b>Natural Environment</b>	Climate Change	N/A		
	Animal / Plant Species	N/A		
	Habitat / Landscape	N/A		