

REPORT

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

MEETING: Cabinet

DATE: 2nd 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 4th 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 3rd November – copy attached – appendix 1).
- 3.3 The preferred bid submitted in February 2015 is provided below:

Affordable Housing Percentage	Amount Offered for Entire Site	MCC Share (50%)
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:

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

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 3rd 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 4th February 2015 titled 'Sale of old county hall site, Croesyceiliog'**

9. AUTHORS

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