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| <b>SUBJECT:</b>                 | <b>Disposal of Land at Nantgavenny Lane, Mardy, Abergavenny</b> |
| <b>MEETING:</b>                 | <b>Cabinet</b>  |
| <b>DATE:</b>                    | <b>11 October 2023</b>  |
| <b>DIVISION/WARDS AFFECTED:</b> | <b>Mardy</b>  |

## **NON-PUBLICATION**

### **1. PURPOSE:**

To seek Cabinet approval for the disposal of a parcel of land adjacent to the Nantgavenny Lane Business Park, Mardy, Abergavenny.

### **2. RECOMMENDATIONS:**

- 2.1 That land forming part of Land Registry title number CYM581092 (outlined red on attached plan) be disposed of subject to contract and on a conditional basis subject to planning approval for B1 Use Class to the owner of the Nantgavenny Lane Business Park as a special purchaser for market value.
- 2.2 To delegate responsibility to the Acting Head of Landlord Services and the Chief Officer for Resources, to finalise the terms of the disposal.

### **3. KEY ISSUES:**

- 3.1 The land measures approximately 0.59 hectares in size and is currently vacant. The land is adjacent to Mardy Park Resource Centre and is considered surplus to requirements. Access is constrained with the preferred access via the business park.
- 3.2 The land has been submitted as a Stage 2 Candidate Site (CS) in the Replacement Local Development Plan (RLDP) to support economic development with proposals to extend the business park to provide increased availability of small new starter light industrial and office accommodation.
- 3.3 Since the CS submission, Estates received an offer for the purchase of the land by the owner of the Nantgavenny Lane Business Park. Given the restricted access, the purchaser is considered a 'Special Purchaser,' defined by the Royal Institution of Chartered Surveyors as 'a particular buyer for whom a particular asset has a special value because of advantages arising from its ownership that would not be available to other buyers in a market.'

- 3.4 Section 123 (General Power of Disposal) of the Local Government Act 1972 enables the Council to dispose of land held by it provided that best consideration is achieved.
- 3.5 The negotiated price reflects market value as a special purchaser, achieving best consideration. The price takes into account the preferred means of access through the existing business park.
- 3.6 It is proposed the disposal will be conditional upon planning consent and inclusive of a restrictive covenant for B1 use class only, as well as an overage provision to capture any future uplift in value if planning permission is obtained for any other use.

#### 4. EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):

The land disposal incurs little or no impact on the Equality and Future Generations Evaluation.

#### 5. OPTIONS APPRAISAL

- 5.1 An options appraisal has been undertaken in Table One below and can be summarised as followed:

| Option  | Positives   | Negatives   | Recommended? |
|---|---|---|--------------|
| <p><b>Dispose of the land</b></p> <p>1. Proceed with disposal to 'Special Purchaser'.</p> | <p>The Council will be relieved of maintenance liabilities associated with maintaining and securing the land.</p> <p>The Council will receive market value for the land via a special purchaser.</p> <p>The disposal will see the existing business park extended, benefiting the local economy in providing greater availability of new starter light industrial and office accommodation.</p> |   | Yes          |
| <p>2. Dispose of land on the open market</p>  | <p>Advertise the lands availability to the open market. Increases the potential of interested parties creating competition and potential of multiple bids.</p>  | <p>The preferred access is via the existing business park and requires agreement by the owner triggering a 'ransom' scenario for the purchaser as payment would be sought from the business park owner in lieu of agreeing to access.</p> | No           |

|  |   |   |    |
|--|---|---|----|
|  |   | <p>This will reduce the amount willing to be paid on the open market as any payment to the business owner would be allowed for within any land offer to MCC.</p> <p>Greater risk in agreeing terms between all parties.</p> <p>Complicated transaction.</p> |    |
| <p><b>Retain the land.</b></p> <p>3. Seek allocation as a Candidate site through RLDP or submit detailed planning application prior to RLDP adoption on grounds of economic development.</p> | <p>Opportunity for the Council to develop the land for B1 use and let units for new asset-based income streams and/or for sale.</p>             | <p>High cost and time involved with development.</p> <p>Risks associated with planning and development.</p>   | No |
| <p>4. Let on grazing license for single pony</p>   | <p>Land held for long term development opportunities. Generates a small income stream and removes Councils minimal maintenance liabilities.</p> | <p>Land is too small for any meaningful grazing. Land would deteriorate in condition due to 'poaching.' Very small rent will be achieved.</p>   | No |
| <p>5. Seek planning permission for 'C' Class uses (residential) such as C3 dwelling houses and C2 Residential Institutions</p>   | <p>May generate a greater capital receipt if pp is obtained for housing.</p>  | <p>Land is outside the development boundary so presumption against development.</p> <p>Unlikely to obtain pp for housing under current policy.</p>  | No |
| <p>6. See planning approval for 'other' uses such as a hostel</p>  | <p>Offers alternative accommodation types that may be required in the area.</p>   | <p>Access through existing business park is unlikely to be suitable/acceptable or agreed to for such purposes.</p>  | No |

## 6. EVALUATION CRITERIA

- 6-month review – has the transaction completed and records been updated.
- 12-month review – Has a planning application been submitted for the agreed use/development.

## **7. REASONS:**

- 7.1 The Council will receive a capital receipt reflective of market value by a special purchaser.
- 7.2 Market value has been determined by use of comparable evidence for similar land transactions.
- 7.3 To improve economic development through job creation and business development.
- 7.4 To relieve the Council of maintenance liabilities.

## **8. RESOURCE IMPLICATIONS:**

- 8.1 The Council will receive a capital receipt.
- 8.2 The Council's associated legal and surveyor fees will be covered by the purchaser, totalling £1,500.
- 8.3 The transfer in ownership of the land will include all current liabilities including the associated maintenance costs, ensuring a very small operational efficiency saving for the Council.

## **9. CONSULTEES:**

Ward Members – Cllr Malcolm Lane (Ward Member for Mardy)  
Cabinet Member for Resources – Cllr Rachel Garrick  
Legal Services – Joanne Chase, Solicitor & Head of Commercial Law  
Legal Services – Paige Moseley  
Acting Head of Landlord Services – Nicholas Keyse  
Deputy Chief Executive – Peter Davies

No objections were received.

## **10. BACKGROUND PAPERS:**

Location plan – attached to report.

## **11. AUTHOR:**

Ben Thorpe – Development Surveyor

## **12. CONTACT DETAILS:**

Tel: 01633 644964

E-mail: [benthorpe@monmouthshire.gov.uk](mailto:benthorpe@monmouthshire.gov.uk)