

Report

Cabinet Member for Social Services Cabinet Member for Regeneration and Housing

Part 1

Date: 11 September 2017

Subject Hillside Resource Centre, The Gaer, Newport.

Purpose To seek approval from the Cabinet Member for Social Services and Cabinet Member for Regeneration and Housing to declare Hillside Resource Centre surplus to the Council's requirements and to dispose of the property on terms agreed by the Head of Law and Regulation.

Author Housing and Assets Manager

Ward Gaer

Summary Hillside Resource Centre has closed and ceased to be operational.
This report therefore considers the options available for the future use of this asset.

Proposal **That Hillside Resource Centre be declared surplus and disposed of on terms recommended by Newport Norse and approved by the Head of Law and Regulation**

Action by Head of Regeneration, Investment and Housing

Timetable Immediate

This report was prepared after consultation with:

- Estates Team Leader, Newport Norse
- Estates Portfolio Officer, Newport Norse
- Property Services Manager, Newport Norse
- Director, Place, Newport City Council
- Head of Regeneration , Investment and Housing, Newport City Council
- Head of Adult Services Newport City Council
- Head of Finance – Chief Finance Officer
- Head of Law and Regulations – Monitoring Officer
- Head of People and Business Change

Signed

1. Background

- 1.1 Hillside Resource Centre opened in the early 1980's to provide day care and residential care services and is situated in the residential area of the Gaer. The site extends to approximately 0.94 acres and the property is a two storey building providing approximately 1,509 sq m (16,250 sq ft) of accommodation, as shown on the plan annexed to this report. The site is registered Freehold to Newport City Council under title number CYM425178 and we believe that there are no restrictions on the title.
- 1.2 The closure was proposed and agreed as part of Medium Term Revenue Plan (MTRP) savings, which was approved on 10 February 2014 by the Council.
- 1.3 There are no staffing implications arising from this closure as all Hillside staff have either left in the intervening period or have relocated to other locations.
- 1.4 Initially, Hillside was used as temporary accommodation for the residents of Parklands, whilst that property was closed for refurbishment. The work at Parklands completed in April 2015 and Hillside has been fully vacated since that time.
- 1.5 There have been discussions between service managers and Seren, regarding the possibility of utilising the premises as a Respite facility, possibly with financial support from Welsh Government. Those discussions however, have been discontinued and as cost of reinstating the building to the required standard is prohibitive.
- 1.6 In the spring of 2016, Hillside was subject to vandalism, resulting in significant damage. The building has now been securely boarded at a cost of around £6,500.
- 1.7 It is noted that the condition of the building is deteriorating and damp/condensation is evident in several rooms at one end of the building. This situation is likely to worsen as time goes on.
- 1.8 Given the relative good condition of the property, it is anticipated that a care operator will have interest in the property and Newport Norse have commenced work on testing the market. There are however, other potential uses, including residential. It is anticipated that the property will be sold on the open market but the method of disposal has yet to be determined.
- 1.9 It is not recommended that a planning application be submitted, owing to the costs and uncertainty regarding future use.
- 1.10 If the premises is sold at auction, it would not be appropriate to include overage provisions as this could adversely affect prospective bids.

2. Financial Summary

- 2.1 There will be on-going utility costs which will need to be paid for by the Council whilst the property is being prepared for disposal. Current utilities are noted below. :
 - Electric estimated at £1443 per annum
 - Gas estimated at £6146.29. per annum, The Council are currently contracted to AMR (Automatic Meter Readings)
 - Water £115.86 per annum
 - Business Rates liability approximately £1100 per annum
 - Potential security – this is currently unknown and will have to be monitor
 - Records indicate that there is approximately £17,000 of backlog maintenance consisting mainly mechanical and electrical works. A full condition survey has not been undertaken recently and this figure may be adjusted once this information is available.

3. Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Failure to dispose of the property will result in the potential of no capital receipt being forthcoming. .	H	L	Actively marketing site for disposal	Newport Norse
Risk of Vandalism	H	M/L	Property is boarded and inspected regularly by Newport Norse.	Newport Norse
On-going Maintenance	H	H	The property will be closed and limited maintenance should be required. Property is regularly checked by Newport Norse.	Newport Norse
Risk of deterioration in the fabric of the building	H	H	Newport Norse will continue to monitor the property.	Newport Norse

4. Links to Council Policies and Priorities

- Corporate Asset Management Plan – 2012 to 2017
- Property Rationalisation Programme
- Medium Term Revenue Plan (MTRP)

5. Options Available

- 5.1 Take no action
- 5.2 That Hillside Resource Centre be declared surplus and be disposed of on terms to be recommended by Newport Norse and agreed by the Head of Law and Standards.
- 5.3 That Hillside Resource Centre be declared surplus and be disposed of by way of a lease on terms to be recommended by Newport Norse and agreed by the Head of Law and Standards

6. Preferred Option and Why

- 6.1 That Hillside Resource Centre be declared surplus and be disposed of on terms to be recommended by Newport Norse and agreed by the Head of Law and Standards.
- 6.2 This would provide the Council with a capital receipt for reinvestment in other policy priorities. It also would avoid potential future revenue costs.

7. Comments of Chief Financial Officer

- 7.1 The property is closed and is of no strategic or economic value to the Authority, so a disposal would be beneficial by generating a respectable capital receipt to be reinvested in the capital programme. In addition, the backlog maintenance liability would no longer be a risk for NCC. The ongoing revenue costs associated with the property will remain until a sale is completed, so it is in the Authority's interest to complete disposal as soon as possible.
- 7.2 Capital receipts are a corporate resource and are therefore not hypothecated outside Cabinet. They are regularly reported to Cabinet in the Capital Programme monitoring reports. Decisions on their use is a Cabinet decision, taking into account the wider funding issues around the Council's capital programme. Receipts earmarked to 21C School's programme (which attracts WG match funding) have reached the minimum required levels for Band A and are now being used in forecasting the funding envelope for the new medium term capital programme being developed.

8. Comments of Monitoring Officer

- 8.1 The proposed sale of the Hillside Resource Centre is in accordance with the Council's legal powers to declare land surplus to requirements and re-appropriate for disposal under Sections 122 and 123 of the Local Government Act 1972. This property is no longer required for social care purposes and is surplus to the Council's requirements. Therefore, it can be re-appropriated for general asset management purposes and sold on the open market to generate a capital receipt. This will also produce a cost-saving in terms of future maintenance and running costs. There will be a need to secure best value for the property under section 123, but this can be demonstrated either through a tendering process or by auction sale. Usually, where a property is sold with the possibility of planning consent for redevelopment, then the Council would include an "overage" provision in the transfer, to secure a share of any future development profit. It is noted that the Report indicates that such an overage provision would not be appropriate in this case because it could deter bidders at auction, but this needs to be considered carefully to ensure that the Council does not forego any potential uplift in land values due to any redevelopment potential.

9. Comments of Head of People and Business Change

- 9.1 The report notes that the Hillside unit was earmarked for closure in 2014 and has been vacant since April 2015. The building was subjected to significant vandalism in 2016 and as a result physical security measures were put in place. Empty premises are often associated with vandalism, anti-social behaviour and can contribute to wider negative impacts on wellbeing in the surrounding area. Potential uses for the site could involve care services or possibly housing which would bring about benefits to the local community in terms of employment, would ensure maintenance of the building and grounds, and provide care/housing units in an established community setting helping to sustain local services.

10. Comments of Cabinet Members

- 10.1 The Cabinet Member for Social Services has been consulted and is supportive of Option 2 that the Hillside site be disposed of in accordance with the terms agreed by the Head of Law and Regulations.
- 10.2 Cabinet Member for Regeneration and Housing has approved the report.
- 10.3 The Hillside Resource Centre property is located within the Gaer Ward and this poses a conflict of interest for both the Deputy Leader/Cabinet Member for Assets, Councillor Whitcutt, as well as the Leader for the Council, Councillor Debbie Wilcox and therefore the Cabinet Member for Regeneration and Housing, Councillor Mudd has been selected as the most appropriate Cabinet

Member to take the decision along with the Cabinet Member for Social Services, Councillor Cockeram.

11. Local issues – Ward Member Comments

- 11.1 Cllr Debbie Wilcox and Cllr Mark Whitcutt - As ward member I support the sale of this property and hope that this will ensure it can be brought back into use as opposed to remaining empty within the community.

12. Scrutiny Committees

- 12.1 N/A

13. Equalities Impact Assessment and the Equalities Act 2010

- 13.1 The Equality Act 2010 contains a Public Sector Equality Duty which came into force on 06 April 2011. The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership. The new single duty aims to integrate consideration of equality and good relations into the regular business of public authorities. Compliance with the duty is a legal obligation and is intended to result in better informed decision-making and policy development and services that are more effective for users. In exercising its functions, the Council must have due regard to the need to: eliminate unlawful discrimination, harassment, victimisation and other conduct that is prohibited by the Act; advance equality of opportunity between persons who share a protected characteristic and those who do not; and foster good relations between persons who share a protected characteristic and those who do not. The Act is not overly prescriptive about the approach a public authority should take to ensure due regard, although it does set out that due regard to advancing equality involves: removing or minimising disadvantages suffered by people due to their protected characteristics; taking steps to meet the needs of people from protected groups where these differ from the need of other people; and encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

14. Children and Families (Wales) Measure

- 14.1 Although no targeted consultation takes place specifically aimed at children and young people, consultation on planning applications and appeals is open to all of our citizens regardless of their age. Depending on the scale of the proposed development, applications are publicised via letters to neighbouring occupiers, site notices, press notices and/or social media. People replying to consultations are not required to provide their age or any other personal data, and therefore this data is not held or recorded in any way, and responses are not separated out by age.

15. Wellbeing of Future Generations (Wales) Act 2015

- 15.1 The immediate short term goal of the Council is the disposal of the property to minimize ongoing costs and mitigate any serious damage resulting from a significant attempt at damaging the property.
- 15.2 In the longer term if the purchaser wished to provide facilities on the site that matches established demand for housing, respite care or other social care facilities the Council would actively take part in collaboration with the purchaser along with consultations with partner organisations and the public.

16. Crime and Disorder Act 1998

- 16.1 Section 17(1) of the Crime and Disorder Act 1998 imposes a duty on the Local Authority to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area.

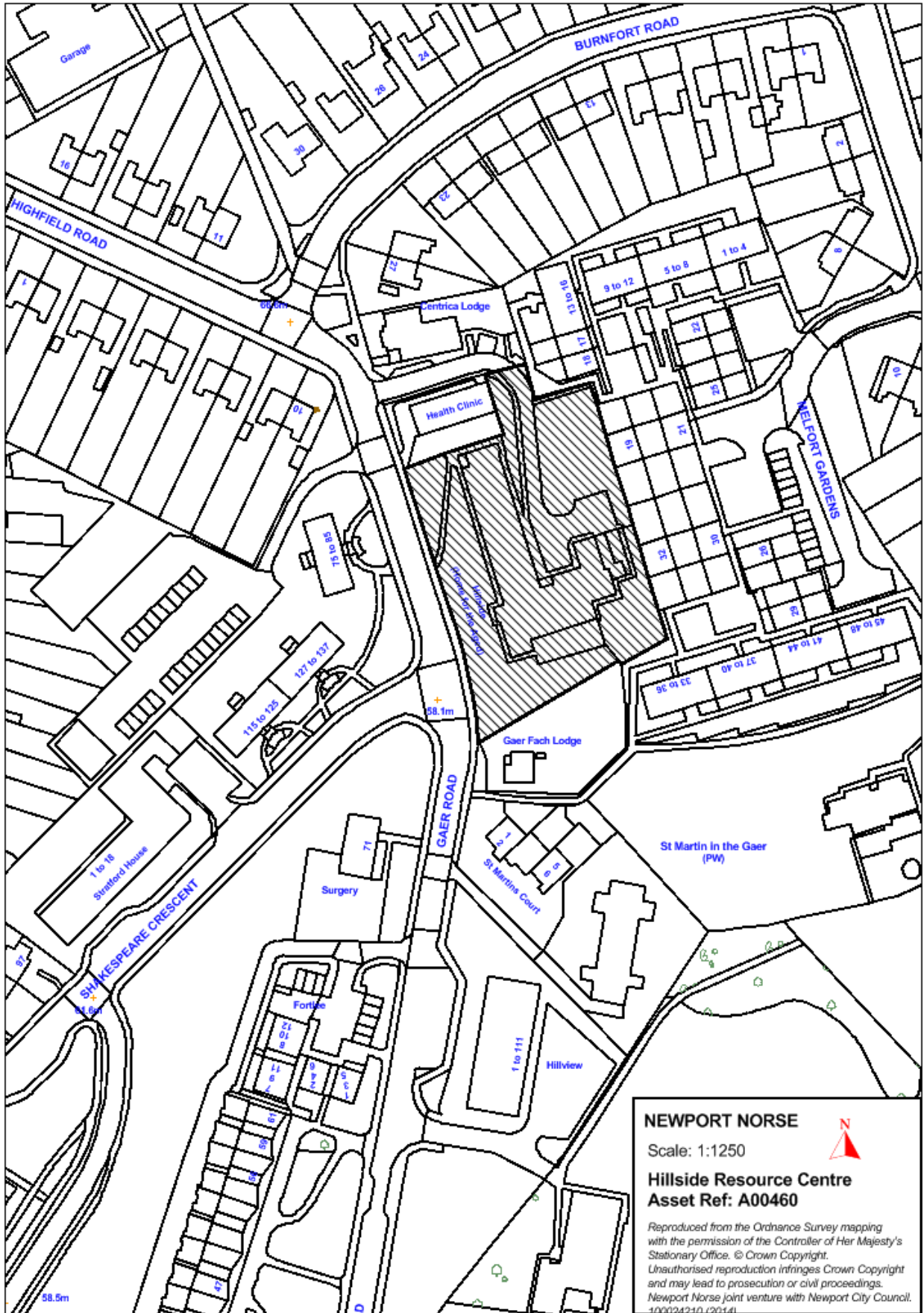
17. Consultation

- 17.1 Comments received from wider consultation, including comments from elected members, are detailed in each application report in the attached schedule.

18. Background Papers

- 18.1 Site Plan

Dated: 11 September 2017



NEWPORT NORSE

Scale: 1:1250

Hillside Resource Centre
Asset Ref: A00460

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