



## Report of the Cabinet Member for Delivery and Performance

Special Cabinet – 20 February 2020

### Sale of Surplus Education Land at Olchfa School

<b>Purpose:</b>	To request consent to dispose of surplus land at Olchfa School, at best consideration, for a sum in excess of delegated authority limits.
<b>Policy Framework:</b>	Asset Management Plan 2017-2021
<b>Consultation:</b>	Access to Services, Finance, Legal and Education.
<b>Recommendation(s):</b>	It is recommended that: <ol style="list-style-type: none"><li>1) Cabinet notes the recommendations of the Council's appointed land sales Agents and approves the disposal of the land to Bidder 2.</li><li>2) Authority is delegated to the Director of Place in conjunction with the Cabinet Member for Delivery and Performance to negotiate the final Heads of Terms and to take all necessary actions to finalise the disposal.</li><li>3) Authority is delegated to the Chief Legal Officer to enter into any documentation necessary to complete the transaction.</li></ol>
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#### 1.0 Introduction

- 1.1 In March 2018, following a consultation with the governing body and under the Playing Fields, (Community Involvement in Disposal Decisions (Wales) Regulations 2015), Cabinet agreed that approximately 7.8 acres of land at Olchfa School was surplus to requirements, subject to the provision of an artificial games surface being funded from the proceeds of the sale.

- 1.2 The Director of Place was authorised to proceed with the disposal by marketing the land identified and to report back to Cabinet in due course upon completion of that exercise.
- 1.3 A plan of the land is included as **Appendix A**.
- 1.4 Lambert Smith Hampton, (LSH), was appointed as the Council's sales agent, through the Council's procurement process. LSH subsequently marketed the site and managed the sales process through tender and Interviews with all interested parties. There followed a second round of tenders and further detailed analysis of bids augmented by a second round of interviews with remaining potential purchasers. A copy of the LSH recommendation report which details the marketing and tender process in greater detail is contained within a separate report in the closed session of the 20th February Cabinet agenda.

## **2.0 Background**

- 2.1 The Capital Budget and Programme 2015/16 - 2019/20 details an ambitious programme of Council asset disposals used to support not only the 21st Century Schools programme but the General Fund Capital programme as a whole. In the case of land which forms part of school premises, a disposal will only proceed on the basis of agreement with the governing body and then the support of Cabinet on a case by case basis. It is required that notice is served and that consultation of communities and other interested parties about the proposed disposal of land consisting, or forming part of a playing field, is undertaken in accordance with The Playing Fields (Community involvement in Disposal Decisions) (Wales) Regulations 2015). Where responses/objections to the proposed disposal are received, a report must be brought back to Cabinet to consider those responses/objections.
- 2.2 A report prepared by the Education Department was presented to Cabinet on 16<sup>th</sup> June 2016 to consider the response to the consultation carried out with the Olchfa Governing Body about the proposed land sale. It was resolved that the site as indicated being approximately 7.8 acres, (31,566 m<sup>2</sup>) be declared as surplus to requirements, subject to the provision of an artificial games surface being funded from the proceeds of a future sale.
- 2.3 Notice was served and the required consultation with communities and other interested parties about the proposed disposal of land consisting, or forming part of a playing field was undertaken in accordance with The Playing Fields (Community Involvement in Disposal Decisions) (Wales) Regulations 2015). The consultation period was open for 6 weeks as per the regulations. The notice also appeared for two consecutive weeks in The South Wales Evening Post on the 18<sup>th</sup> and 25<sup>th</sup> September 2017. The proposal was available for viewing by the public for the 6 weeks the notice was displayed at the site entrances and available on the Council's website for the same period.

- 2.4 The following organisations were also consulted under the Playing Fields (Community Involvement in Disposal Decisions) (Wales) Regulations 2015); Sports Council Wales, Fields In Trust, Natural Resources Wales, Wildlife Trust, Open space Society, Swansea Environmental forum, Play Wales, Children's Play Officer Swansea, Ward Members, School Governing Body and local residents.
- 2.5 A further report was presented to the Council's Cabinet on the 15<sup>th</sup> March 2018 to consider the responses and objections to the consultation and decide whether the Council would confirm its earlier decision that the land be considered surplus to requirements and proceed with its disposal.
- 2.6 In consideration of the report presented to Cabinet on 15<sup>th</sup> March 2018, the objections and responses to the proposed disposal, Cabinet resolved that:
- (i) The site as indicated on the plans being approximately 7.8 acres (31,566m<sup>2</sup>) is surplus to requirements, subject to the provision of an artificial games surface being funded from the proceeds of the sale, and;
  - (ii) Authority be delegated to the Director of Place to proceed with the disposal by marketing the land identified and to report back to Cabinet in due course upon completion of that exercise.
- 2.7 The decision notice was published in the South Wales Evening Post for two consecutive weeks, 11<sup>th</sup> and 18<sup>th</sup> June 2018. A summary of the decision report was sent to anyone the Council received a substantive representation from.
- 2.8 The decision notice and report were available for viewing by the public for the 6 weeks, the notice was displayed at the site entrances and available on the Council's website for the same period.
- 2.9 The Estates Department was able to proceed with the disposal 12 weeks after publication of the decision.

### **3.0 General Issues**

- 3.1 After extensive marketing post consultation, a tender process and interviews with prospective bidders, LSH has made a recommendation as to which bid is likely to represent the largest capital receipt to the Council although the final sum received is likely to be lower as it is dependent upon a successful planning application and the extent of currently unknown costs associated with the final development being established. These include for example, site remediation costs, abnormal building costs, Section 278, (Highways) costs, Section 106 (Education contribution costs) etc. These will not become certain until further more detailed investigations have taken place and a planning application is processed.

- 3.2 The terms of the prospective disposal will be in accordance with the principles of best consideration. The identified preferred bidder is also offering the highest level of affordable housing provision of any of the offerees, (42%), which, in combination with their bid being likely to realise the highest capital receipt is considered to further enhance their status as the preferred bidder and to best represent “best consideration” under the Land Transaction Procedure Rules.
- 3.3 The Director of Place certifies that he is satisfied that the property represents a reasonable proposition for sale at the provisionally agreed price.

#### **4.0 Equality and Engagement Implications**

- 4.1 The Council is subject to the Public Sector Equality Duty (Wales) and must in the exercise of their functions have due regard to the need to:
- Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act.
  - Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

- 4.2 An EIA screening was completed and reviewed for the 2018 Cabinet Report prepared by Education, and was updated and amended post consultations. The most recent report, amended February 2018, is attached at **Appendix B**. The agreed outcome was that the disposal should proceed as there were no concerns.
- 4.3 Wellbeing of Future Generations (Wales) Act 2015. This disposal will generate additional housing including a higher percentage of affordable housing than is required under current planning guidance. It is considered that this will be to the benefit of current and future citizens of Swansea. The proposal also provides for improved leisure and sporting facilities at Olchfa School which will be for the benefit of pupils and community for both current and future generations. Also the realisation of a capital receipt will allow the Council to invest in future projects and essential services also for the benefit of current and future citizens of Swansea.
- 4.4 The proposed sale of land will assist the Council in delivering the strategic themes of “Cymraeg 2050, a million welsh speakers” which includes an increase in welsh medium education places and opportunities for recreational use of the welsh language.
- 4.5 Any future development will of course be subject to normal planning procedures.

## **5.0 Financial Implications**

- 5.1 The net receipt from the disposal of the site, after the provision of an all-weather pitch, would be significant and both the school and local community would benefit from enhanced external facilities.
- 5.2 In accordance with current policy, the net capital receipt will also contribute towards the achievement of the Council's overall capital receipt target and could part fund the 21<sup>st</sup> Century Programme for school improvements as set out in the approved capital programme.
- 5.3 The provisional sale price is reported in a separate report in the closed session of the 20th February Cabinet agenda. This provisional sale price is the best bid received based upon the known facts about the site and the reasoned approximations of costs associated with development. As such it is a starting point only. It is possible that this figure could vary up or down once costs are established and if they vary from those allowed for within the recommended bidder's estimates. Figures will be refined once further investigations have been concluded and a formal planning application has been submitted and the contributions required are set.

## **6.0 Legal Implications**

- 6.1 As highlighted in the report, the Council has undertaken the necessary consultation with the School Governors and the wider consultation required by the Playing Fields (Community Involvement in Disposal Decisions) (Wales) Regulations 2015 ("the Regulations").
- 6.2 Under S.123 of the Local Government Act 1972, the Council has a duty to obtain best consideration reasonably obtainable on a disposal. The Director of Place confirms he is satisfied the land has been adequately exposed to the market, that the current offer represents the best price likely to be achieved in the current market and that as it is intended to recover full market value; the council is prima facie complying with its statutory duty.

### **Background Papers:**

Cabinet Report dated Tuesday 28 May 2013.

Cabinet Report dated Thursday 16 June 2016.

Cabinet Report dated Thursday 15 March 2018 (Closed session)

### **Appendices:**

**Appendix A:** Plan

**Appendix B:** EIA Screening Form