



**Joint Report of the Cabinet Member for Delivery and Performance and
Cabinet Member for Homes, Energy and Service Transformation**

Special Cabinet – 28 February 2020

Sale of Land at Gower View Road – Gwyn Faen Farm

Purpose:	To request consent to dispose of surplus land at Gwynfaen Farm, at best consideration, for a sum in excess of delegated authority limits.
Policy Framework:	Asset Management Plan 2017-2021
Consultation:	Housing, Access to Services, Finance, Legal and Education.
Recommendation(s):	It is recommended that: <ol style="list-style-type: none">1) Cabinet having considered the verbal report outlining the response to the public open space statutory consultation process approve the disposal of the land.2) Subject to the approval of recommendation 1, authority is delegated to the Director of Place in conjunction with the Cabinet Member for Delivery and Performance and the Cabinet Member for Homes, Energy and Service Transformation to negotiate the final Heads of Terms and to take all necessary actions to finalise the disposal.3) Authority is delegated to the Chief Legal Officer to enter into any documentation necessary to complete the transaction.
Report Author:	Richard John/Carol Morgan
Finance Officer:	Jayne James/Ben Smith
Legal Officer:	Debbie Smith
Access to Services Officer:	Rhian Miller

1.0 Introduction

- 1.1 Swansea Council owns the freehold of approximately 3.74 acres of Housing Revenue Account (HRA) land known as Land at Gwynfaen farm, Gorseinon.

This site adjoins a larger Welsh Government land holding of approximately 12 acres. Outline planning consent for residential development was granted over the combined sites in April 2010.

- 1.2 Subsequent to the grant of outline planning consent Swansea Council and the Welsh Government entered into a Joint Venture, (JV) agreement, to promote and sell the combined land for residential development.
- 1.3 Two Registered Social Landlords (RSLs), working collaboratively and with potential grant funding from the Welsh Government to make the development carbon neutral, have requested to be allowed to purchase the land at the combined sites at market value in order to develop 145 housing units, with the stated intention for 59% of the units to be affordable across the development.
- 1.4 An independent valuation provided by the Valuation Office Agency has established the market value of the land and, under the terms of the JV, Swansea Council's share would exceed the delegated authority limit of half a million pounds. Consequently Cabinet approval is needed to dispose.
- 1.5 Further negotiations will be necessary prior to disposal to agree some additional contract terms to include overage provisions to protect the Council in the event that a more lucrative, higher density development is built; the payment of this Council's Legal and Estates fees; the resolution of issues surrounding encroachment and vehicular access over a service lane behind Gower View Road which represents an ongoing liability to the Council if retained. Swansea Council wishes to include an agreement based on sharing profit or loss based on expenditure on abnormal site costs associated with the development however, WG will not agree this.
- 1.6 As the land is deemed to be public open space a statutory consultation process is underway and will conclude prior this report being considered by Cabinet. The response to the statutory consultation will be collated and a verbal report presented to Cabinet in order that Cabinet can have regard to any objections raised, prior to making any decision on whether it is appropriate to dispose of the land on the terms outlined within this report.
- 1.7 A plan showing the Swansea Council land outlined in red is included as **Appendix A.**

2.0 Background to the Joint Venture Agreement

- 2.1 On 18th February 2011, the Council of the City and County of Swansea and the Welsh Ministers entered into a Joint Venture, (JV) agreement, the primary purpose of which was to secure a comprehensive residential development in accordance with the outline planning consent. The JV also details the agreed apportionment of all site promotion costs and the final capital receipt, between the parties.

- 2.2 In 2016, the RSL's collectively approached Welsh Government and Swansea Council for grant and strategic support to develop the site. The RSLs commissioned a masterplan proposal and submitted it for consideration in May 2018.
- 2.3 The scheme has strategic support from the Housing department for the purposes of grant funding and it is included in the Programme Development Plan for Social Housing Grant. It has been allocated Innovative Housing Programme funding by Welsh Government to use modern methods of construction and the application of innovative technologies and design features to create new homes with minimal energy costs. It will provide affordable homes in an area of housing need. The scale and innovative nature of the site will give Welsh Government and Swansea Council opportunity to meet key strategic objectives.
- 2.4 It has been agreed as part of the land disposal that Swansea Council will acquire a number of affordable units onsite which will become council housing stock for social rent. As part of the JV, the HRA will receive a capital receipt from the HRA land disposal. This receipt will be used towards the cost of acquiring 8 social rented flats at 42% of WG Acceptable Cost Guidance (ACG) figures. In addition to this, Housing has requested to acquire 4 houses for social rent at build cost plus land value. This supports the Council's More Homes Strategy by delivering additional council homes.

3.0 General Issues

- 3.1 The Director of Place certifies that he is satisfied that the property represents a reasonable proposition for sale at the provisionally agreed price. Also that it is prudent and appropriate to dispose of the land to the RSLs in the absence of open marketing.

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. An EIA screening form has been completed with the outcome being that a full EIA was not required (**Appendix B**).

- 4.2 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. Also the realisation of a capital receipt will allow the Council to acquire affordable homes for social rent in an area of high need.

- 4.3 Any future development will of course be subject to normal planning procedures.

5.0 Financial Implications

- 5.1 In accordance with current policy, the capital receipt, net of costs owed to Welsh Government for promotion of the site under the terms of the joint venture agreement, will return to the HRA.

- 5.2 The HRA will then use the remaining capital receipt to acquire the homes which will become Council homes for social rent.

6.0 Legal Implications

- 6.1 If there has been no marketing of the land then the Council's Land Transaction Procedure Rules state that the Director of Place or his nominee must determine that only one party could acquire the interest. For this particular transaction it could be determined that in all the circumstances it is prudent and appropriate to sell by private treaty in view of the fact that this offer has been made directly to and approved by Welsh Government. The proposed offer meets the objectives of the Joint Venture, directly benefits the HRA and supports the Council's More Homes Strategy. The Council will need to be satisfied from a state aid perspective that the transaction represents a disposal at market value.

- 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 that the current offer represents the best price likely to be achieved in the current market and has been independently assessed as representing market value.

- 6.3 Where land is deemed open space, the Council is required under S.123 to advertise the disposal of the land in the local newspaper for two consecutive weeks and to give full and proper consideration to any objections made to it by members of the public. The key issue for the Council is to balance any adverse consequences of the loss of open space, having regard to the objections received, against the advantages of disposing of the land.

Background Papers: None.

Appendices:

Appendix A: Plan

Appendix B: EIA Screening Form