

CABINET MEETING: 13 DECEMBER 2018

**ACQUISITION OF IOWERTH JONES CENTRE,
TRENCHARD DRIVE, LLANISHEN, CF14 5LJ**

**INVESTMENT & DEVELOPMENT (COUNCILLOR RUSSELL
GOODWAY)**

AGENDA ITEM: 10

Appendices 1 and 2 of this report are not for publication as they contain exempt information of the description contained in paragraphs 14 of part 4 and paragraph 21 of part 5 of Schedule 12A of the Local Government Act 1972.

Reason for this Report

1. To seek Cabinet authority to acquire the freehold of the lowerth Jones Centre. The site is to be used for the development of new council housing to be held within the Council's Housing Revenue Accounts.

Background

2. The lowerth Jones Centre was previously under the ownership of the Council Social Services Department. The site was sold to the Cardiff and Vale University Health Board (UHB) in 2008.
3. Built in the 1980's, the site has been used as a care home for the elderly but is no longer required for that purpose and has been declared surplus to their requirements. The UHB have approved the disposal of the property under the Land Transfer Protocol.
4. Once acquired by the Council, it is intended that the building be demolished, with the site supporting the programme to deliver 1,000 new council homes by May 2022.

Issues

5. There is a high demand for new council housing across the city and the Llanishen ward has a notable demand for family housing and older person accommodation.
6. A planning brief has been commissioned for the site by Housing and Communities which indicates that their potential development of circa 30 units will be acceptable in planning terms. Other due diligence has been

undertaken including; utility searches, title search, ecology surveys. There are outstanding investigations currently in progress, relating to ground conditions.

7. Acquisition is subject to the Council being in receipt of satisfactory site surveys.
8. The site is to be acquired under Welsh Government's Land Transfer Protocol (LTP). LTP requires an independent valuation to certify market value. The valuation has been carried out on an existing use basis and residential development basis and the difference in value is negligible. (see Appendix 1). Appendix 2 shows the total cost of acquisition, including land tax.
9. The UHB require completion by 29th March 2019.
10. The purchase price represents market value exclusive of VAT, for current use as evidenced by the valuation which forms the confidential appendix to this report.

Local Member Consultation

11. Local members have been informed of the proposed acquisition.

Reasons for Recommendations

12. To sanction the acquisition of a suitable site providing a development opportunity which contributes towards housing targets in an area with notable demand.

Financial Implications

13. The report proposes the acquisition of a site for the development of new affordable housing to be held within the Council's Housing Revenue Account (HRA). The costs of demolition and construction of new units is estimated to cost £4.6 million based on an initial viability exercise. This is in addition to the cost of site acquisition indicated in Appendix 2. A number of site surveys are still in progress and will determine any acquisition cost.
14. Acquisition and development expenditure, subject to the planning and procurement process, would be funded from within the HRA Capital Programme as part of new build and acquisition budgets. Whilst the site remains undeveloped, the costs of maintaining any vacant site e.g. site security and vacancy conditions will need to be managed within existing revenue budgets of the HRA.

Legal Implications

15. The Council's Procedure Rules for the Acquisition of Land require the Council's decision makers to have regard to professional advice from a qualified valuer to ensure that value for money is obtained.

RECOMMENDATIONS

Cabinet is recommended to approve acquisition of the lowerth Jones Centre, for the development of affordable housing, at market value under the Land Transfer Protocol subject to satisfactory site investigations.

SENIOR RESPONSIBLE OFFICER	NEIL HANRATTY Director of Economic Development
	7 December 2018

The following confidential Appendices are attached:

Appendix 1 Valuation of lorwerth Jones Centre - **Confidential**

Appendix 2 Total cost including land tax - **Confidential**