

My Ref: T: Scrutiny/PRAP/Comm Papers/Correspondence

Date: 13 December 2018

Councillor Russell Goodway,  
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Dear Councillor Goodway,

**Policy Review & Performance Scrutiny Committee: 12 December 2018**

On behalf of the Policy Review and Performance Scrutiny Committee, please pass our sincere thanks to the Head of Property, Helen Thomas and Principal Surveyor, Eirian Jones, for attending Committee to facilitate pre-decision scrutiny of the Cabinet proposals to acquire a long leasehold on the Biffa Waste Recycling Centre, Bessemer Close, Cardiff, and dispose of a long leasehold on 3-4 Wharton Street, Cardiff. Following discussion at the Way Forward Members asked that I pass on the following comments and concerns to inform the Cabinets consideration of this matter later today.

The Committee understands why the directorate considers the purchase of a long leasehold on the Biffa Waste Recycling Centre, Bessemer Close, to be prudent and in line with the Council's five year Investment Estate Strategy 2016-21. There was discussion about the decision made in 1990 which has led to the Council having to spend £1.25m purchasing property which it imprudently let for 125 years at a peppercorn rent, also losing large sums of rental income since that decision was made.

In respect of 3-4 Wharton Street, we note that this asset currently generates an income into the Council's Investment Estate, the longevity of which is not secure and, together with the maintenance responsibility, the asset does not fit the criteria of the Investment Estate Strategy. We also note the officer view that there is currently some volatility in the retail property market. However, Members had some concerns about the disposal of the long leasehold given that 3-4 Wharton Street is a building with three current tenancies. We would not wish the Council to find itself in a similar

situation in respect of Wharton Street that it finds itself in with the Bessemer Close site.

The Committee found it useful and informative to consider these two proposals but was concerned at the 'last minute' opportunity which led to a rushed and unsatisfactory scrutiny. Members agreed that going forward the Committee's remit will focus on the performance of the Investment Estate Board, and its achievements in line with the Investment Estate Strategy, rather than on specific property transactions.

Once again, on behalf of the Committee, please pass my sincere thanks to the officers who attended PRAP Scrutiny Committee. I look forward to taking up the offer of future scrutiny of the performance of the Investment Estate Board.

Yours sincerely,

A handwritten signature in black ink, appearing to read "David Walker". The signature is written in a cursive, flowing style.

**COUNCILLOR DAVID WALKER**

**CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE**

cc Members of the Policy Review & Performance Scrutiny Committee.  
Neil Hanratty, Director Economic Development.  
Helen Thomas, Strategic Estates Manager.  
Eirian Jones, Principal Surveyor.  
Joanne Watkins, Cabinet Office Manager.  
Clair James, PA to Director of Economic Development.