

The Vale of Glamorgan Council

Cabinet Meeting: 20 March, 2017

Report of the Cabinet Member for Visible, Leisure and Regulatory Services

Marketing of Former Public Conveniences at Nell's Point, Barry Island

Purpose of the Report

1. To seek authority to re-market the former public convenience building at Nell's Point, Barry Island for leisure uses (to include A3 uses), tourism uses and enabling residential uses, to support the re-use and regeneration of this important listed building.

Recommendations

1. That authority is given to re-market the former public convenience building at Nell's Point, Barry Island for leisure uses (to include A3 uses), tourism uses and enabling residential uses.
2. That delegated powers are granted to the Managing Director, the Director of Environment and Housing and the Head of Finance, in consultation with the Members on the Project Board, to agree both the content of marketing documents and the methodology under which any bids for the building will be assessed and to dispose of the property to the bidder who best meets the requirements of the marketing document.
3. That authority is granted to the Head of Legal Services to prepare, execute and complete all legal documentation associated with the marketing and disposal of the property.
4. That authority is granted to the Director of Environment and Housing, in consultation with the Leader of the Council, to appoint marketing agents.

Reasons for the Recommendations

1. To enable the re-marketing of the property in line with the details provided in this report to Cabinet.

2. To enable the Project Board to agree the marketing documentation, the methodology for assessment of any submitted bids and the disposal of the property without reference back to Cabinet.
3. To enable the Head of Legal Services to prepare, execute and complete all legal documentation associated with the marketing and disposal of the property.
4. To enable the appointment of marketing agents.

Background

2. Cabinet will be aware that the land at Nell's Point and the adjacent former convenience block site at the entrance to the Council's car park at Nell's Point were the subject of a marketing exercise over the summer months in 2015.
3. The sites were comprehensively marketed in accordance with a Strategic Brief for bidders and Jones Lang LaSalle were appointed to act as the Council's agent in respect of the marketing exercise.
4. The Strategic Brief indicated a range of uses which might be acceptable in planning terms and these included major indoor leisure, ancillary retail, hotels use, non - residential institutions, assembly and leisure uses and "sui generis" uses relating to tourism and leisure.
5. Following appraisal of the bids and a further report to Cabinet "preferred bidder" status was given to the Warner Hotels scheme submitted. However after months of negotiation it became apparent that the significant gap funding identified in the bid submitted could not be reduced to the extent requested by the bidder for the land disposal to progress. The intention is to re-market the remainder of the Nell's Point land again in summer 2017.
6. With regard to the future of the toilet block officers had suggested to the Project Board that, in advance of re-marketing the building, a structural enabling contract might be utilised to bring the building back into sound condition as this approach had been used at the early stages of marketing the Grade II Listed Pumphouse in the Innovation Quarter to good effect and had resulted in private sector investment and re-use of that building. As a pre-cursor to the use of this approach a full structural survey of the toilet block building was procured in December 2016.

Relevant Issues and Options

7. The Pick Everard Structural Survey report of December 2016 indicates that the toilet block is in a very poor condition with a large number of structural defects which need to be rectified. As a result of this report the building was fully enclosed in December 2016 to ensure the safety of the public.
8. The report suggests two methodologies for repairing the building and estimates the costs associated with such repairs within the price range of £578,000 to £632,000. Members will be aware that officers had submitted a Capital Programme bid in September 2016 and that provisionally £255, 000 is being allocated within the 2017-18 Capital Programme against restoration works costs. Detailed costs are unknown as such works have not been tendered.
9. Given the gap between budget allocation and repair cost estimates officers have been exploring other sources of funding support and initial contact has been made with the Heritage Lottery Fund (HLF). An initial response from the HLF indicates that a bid to them would need to be supported by a full Business Case setting out not only

the details and costs associated with any repair contract but also information relating to the end users and uses for the building. Such information is not yet available to the Council as an end user was not identified when the building was last marketed. As a result it would appear to be inappropriate to submit an HLF bid at this time as the prospect of success appears remote.

10. Given this position Pick Everard has been requested to provide a further report indicating what works might be undertaken to ensure the stability of the building in the short to medium time period whilst options for the future of the building are considered.
11. Over the past twelve months there have been a number of parties who have indicated interest in the building and officers have continued to keep these parties informed of developments regarding the building. Recent interest has been expressed by a local developer with a track record of renovating listed buildings.
12. Given this interest and the current lack of sufficient funding to carry out a restoration contract it is considered that remarketing the building with full disclosure as to its condition remains an option. It is recommended that scores for any bids received are weighted to reflect that the Council is interested in the quality of the proposal and local impact as well as the financial receipt. Given the condition of the Listed Building, its status and its key location it is considered that the weighting reflects the fact that an appropriate and high quality end user and scheme is attributed significant importance in this instance. It is recommended that the Project Board agree such details once a marketing agent is appointed.
13. With regard to uses the building was previously marketed in 2013 and 2015 with end use restricted to tourism and leisure related uses along with the adjacent Nell's Point land. When marketed for this third occasion officers believe that a wider range of users may be required to draw private sector interest and would recommend adding both holiday accommodation and private residential uses to the marketing document. Barry Island has long suffered from a lack of holiday accommodation and a small number of holiday units on this site would start to change that position. Allowing a number of private residential apartments in a mixed use scheme might also generate interest as their development would allow some cross funding enabling within the scheme and might reduce overall project risk. The Project Board will need to agree quantum of such uses but, given the Listed Building status of the structure, there will be an architectural limitation on much additional space might be constructed at the site.

Resource Implications (Financial and Employment)

14. The Capital Programme still retains a budget for marketing the sites at Nell's Point and the costs of proposed marketing of the toilet block would be met from that fund.

Sustainability and Climate Change Implications

15. Sustainability and climate change issues would be considered as part of any planning application and Listed Building application determinations following choice of a preferred bidder. Disposal would be subject to a requirement to gain planning permission and any other statutory consents.

Legal Implications (to Include Human Rights Implications)

16. The Council has a duty pursuant to S123 of the Local Government Act 1972 to obtain the best consideration reasonably obtainable on a disposal of an interest in land.

Crime and Disorder Implications

17. There are no crime and disorder implications to the recommendations.

Equal Opportunities Implications (to include Welsh Language issues)

18. The sites were marketed by the Council's agents comprehensively and openly.

Corporate/Service Objectives

19. The development of the Nell's Point site is an objective of the Council as set out in the Deposit Stage Local Development Plan, the Council's Tourism Strategy and the Destination Management Plan.

Policy Framework and Budget

20. This is a matter for Executive decision by Cabinet

Consultation (including Ward Member Consultation)

21. Ward Member consultation has taken place.

Relevant Scrutiny Committee

22. Economy and Environment

Background Papers

None

Contact Officer

John Dent. Major Projects Manager

Officers Consulted

Operational Manager for Property
Senior Lawyer
Head of Planning and Regeneration
Operational Manager for Finance
Head of Finance

Responsible Officer:

Miles Punter - Director of Environment and Housing