

Meeting of:	<b>Cabinet</b>
Date of Meeting:	<b>Thursday, 12 March 2026</b>
Relevant Scrutiny Committee:	Place Scrutiny Committee
Report Title:	Marketing of Land at Nell's Point, Barry Island
Purpose of Report:	To obtain approval for the marketing of land at Nells Point.
Report Owner:	Executive Leader and Cabinet Member for Performance and Resources
Responsible Officer:	Director of Place
Elected Member and Officer Consultation:	<p>Head of Finance/S151 Officer</p> <p>Operational Manager Accountancy</p> <p>Legal - Committee Reports</p> <p>Head of Corporate Landlord</p> <p>Interim Director of Environment and Housing</p> <p>Monitoring Officer/Head of Legal and Democratic Services</p>
Policy Framework:	This is a matter for Executive decision by Cabinet.
<p>Executive Summary:</p> <ul style="list-style-type: none"> <li>• For a number of years, the Council has been seeking the development of a new hotel on Barry Island and for over 15 years a site at Nell's Point has been identified as a suitable site subject to the impact on existing parking provision.</li> <li>• Members will be aware that in 2015 the Council was approached by an operator seeking to develop a large hotel for residents over 50, however this did not progress due to funding issues.</li> <li>• Following the ongoing redevelopment of the former Nells Point public convenience, which is due to open this summer, authority is sought to market two areas of land opposite and adjoining the rear of the former public convenience building for a hotel and restaurant.</li> <li>• The development of this land for the above purposes would support the ongoing regeneration of the important listed building as well as bringing further tourism uses to the island and encouraging longer term stays.</li> </ul>	

- The proposed site would have only a very limited impact on existing car parking provision, retain much of the surface car park and having only a very limited impact on the overflow parking with the developer intending to make use of the existing parking provision for users of the hotel.
- The Area of land identified for the possible development is shown as two parcels edged red on the plan attached at Appendix A. The proposals indicate the possible development of an up to 40 bed hotel on the parcel numbered 1 on the plan attached at Appendix A and a separate restaurant on the parcel numbered 2 on the plan attached at Appendix A.
- The development could be supported via suitable funding sources including the Cardiff Capital Regions (CCR) Sites and Premises fund, Development Bank for Wales and any other suitable funding sources subject a relevant business case.

## **Recommendations**

- 1.** That authority is granted to market the two areas of land adjoining the former public conveniences identified at appendix A located at Nell's Point, Barry Island for hotel and restaurant uses.
- 2.** That delegated authority is granted to the Director of Place, in consultation with the Director of Environment and Housing, Monitoring Officer/Head of Legal and Democratic Services, Head of Finance/S151 Officer, Head of Corporate Landlord, Executive Leader and Cabinet Member for Performance and Resources, Deputy Leader and Cabinet Member for Sustainable Places, and the Barry Place Board, to advertise the sites (boundary shown on plan at Appendix A) on the basis of a marketing plan setting out specific uses as described in this report, 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 Council on terms and conditions to be agreed.
- 3.** That Cabinet authorises delegated authority to the Monitoring Officer/Head of Legal and Democratic Services to draft and execute all necessary contract(s) and other legal agreements required in respect of the disposal.
- 4.** To work with any successful bidder to secure loan funding to support the development via a relevant funder such as the Cardiff Capital Region Sites and Premises Fund, the Development Bank for Wales or other suitable investment funds subject to appropriate legal requirements and suitable business case, with the requirement that this funding will be paid back over an appropriate period and that an appropriate rate of interest is payable on any loan having regard to the relevant Subsidy Control requirements

## **Reasons for Recommendations**

- 1.** To enable the re-marketing of the property in line with the details provided in this report to Cabinet.
- 2.** 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 Monitoring Officer/Head of Legal and Democratic Services to prepare, execute and complete all legal documentation associated with the marketing and disposal of the property.
- 4.** To help facilitate the timely development of a hotel on this important site.

## **1. Background**

- 1.1** 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 several previous marketing exercises since 2015.
- 1.2** A previous Strategic Brief developed for the site 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.
- 1.3** In 2017 following a previous process "preferred bidder" status was given to Warner Hotels. 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. Members may recall that the previous bid referred to above did cause some concerns over the likely loss of carparking provision and the revenue associated with such a loss.
- 1.4** The currently proposed marketing exercise involves a significantly smaller site with most of the existing car parking, both that laid out and that used in an overflow capacity remaining, thereby ensuring the public and visitors will still be able to park on the island.
- 1.5** It should also be noted that the former grade 2 listed toilet block adjacent to Nell's Point which was the subject of a separate bidding process and being sold in 2019, is currently under development with a new bar/restaurant due to open in summer 2026. The developer of this project has expressed an interest in further developments at Nell's Point including a new 30 bedroom hotel and restaurant of up to 350 m2.

## **2. Key Issues for Consideration**

- 2.1** To maintain momentum following the development of the former toilet block at Nell's Point which has been supported by the Council through a grant from the Shared Prosperity Fund, it is considered appropriate to progress this potential scheme.
- 2.2** For this reason, it is proposed that the land identified on the plan at Appendix A is advertised for sale (by virtue of a long lease) for specific hotel and restaurant uses that will be set out in a Marketing/Planning Brief which will accompany the marketing process.
- 2.3** Both the current Local Development Plan (LDP) and its proposed replacement, promote the importance for tourism of Nell's Point and Barry Island in general, POLICY MG29 - TOURISM AND LEISURE FACILITIES supports the provision of all year-round tourism and leisure facilities and refers explicitly to land at Nell's Point. The proposed marketing of part of the site for a new Hotel and restaurant to encouraging staying visitors on the island would therefore be supported by planning policy.

- 2.4 The ongoing work to develop a placemaking plan for Barry also recognises the importance of the Nell's Point site to tourism and leisure on Barry Island and it is considered that the marketing of this land for the purposes identified would be supported.
- 2.5 It is important to note that only the two areas of land required for the hotel and restaurant development would be marketed, leaving most of the existing car park and overflow facilities open and available to visitors to the Island. The remainder of the car parking facilities would not be included in this disposal and would remain under the control of the Council and maintained by Neighbourhood Services.
- 2.6 Given the importance of this site to Barry Island and tourism in general, it is also recommended that Barry Town Board are kept up to date with the progress of this scheme.
- 2.7 Finally, it should also be noted that a recommendation of possible loan support has also been included which is only to be considered to support any funding gap that may exist and could be made available
- 2.8 If any prospective developer failed to secure funding through means such as commercial loan, Development Bank for Wales it is proposed that Cardiff Capital Region (CCR) Sites and Premises fund be considered subject to due diligence around finances and a suitable business plan. It is hoped that the offer of possible loan support will ensure that any development can be progressed more quickly and that CCR or the Council could recycle any interest accrued back into its investment fund to be used in the future.

### **3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?**

- 3.1 Looking to the long term – The disposal of the site to a hotel and restaurant developer would facilitate tourism and longer stays on the island, which is supported by both the current LDP and Placemaking work.
- 3.2 Taking an integrated approach – The proposed disposal of part of the Nell's Point site is being undertaken after discussions with other Council departments and in consultation with of Cabinet.
- 3.3 Involving the population in decisions – Council ward Members have been notified of the intention of disposing of the site under a lease agreement. The current LDP and work undertaken as part of the Placemaking work for Barry has identified the importance of the site for tourism and leisure uses.
- 3.4 Working in a collaborative way - The Council's Property Services section will work alongside the Council's Head of Finance/Section 151 officer and the Project Management unit collaboratively to ensure the best value for money for the Council on the sale of the land and in respect of any future financial loan support.
- 3.5 Understanding the root causes of issues and preventing them - By disposing of the site, it will ensure that facilities are created to support tourism on the Island,

and in turn create a positive impact increasing the facilities and offer available to visitors to Barry Island.

#### **4. Climate Change and Nature Implications**

- 4.1 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.

#### **5. Resources and Legal Considerations**

##### **Financial**

- 5.1 The land identified will be offered for sale via Tender.
- 5.2 The process for tendering the service will be undertaken by staff within the Place Directorate, making appropriate use of corporate expertise and processes in areas such as Estates, Legal and Place.
- 5.3 There will be cost implications for the placing of advertisements in line with the requirements of the legal processes outlined in the report, however these are minimal and can be absorbed by existing budgets.
- 5.4 There will be incidental marketing costs associated with the disposal of the property, which will be absorbed by the owning service area.

##### **Employment**

- 5.5 There are no direct employment considerations for the Council from this report.

##### **Legal (Including Equalities)**

- 5.6 The Council has the power under section 123 of the Local Government Act 1972 to dispose of land in any manner it wishes including private treaty, formal tender or invitation of (sealed) offers. The only constraint is that a disposal must be for the best consideration reasonably obtainable. There are exemptions to this requirement however, the Council is not relying on any such exemptions for this disposal as the intention is to secure market value.
- 5.7 Section 123 (2A) of the Local Government Act 1972 states that no principal Council may dispose of land consisting or forming part of an open space unless, before disposing of the land, they cause notice of their intentions to do so, specifying the land in question, to be advertised in two consecutive weeks in a newspaper circulating in the area in which the land is situated, and consider any objections to the proposed disposal which may be made to them.
- 5.8 In the event that any loan or investment was required by the Council consideration would need to be given to the subsidy control rules established under the Subsidy Control Act 2022 and external expert advice may be required.

## **6. Background Papers**

None.

