

## REPORT TO THE CABINET

8 May, 2018

**Cabinet Member: Councillor Dafydd Meurig**

**Subject: Sale of former School Site, Aberdyfi**

**Contact officer: Dafydd Gibbard - Senior Property Manager**

---

### **Decision sought**

Delegate authority for the Senior Manager Property to use powers under the General Disposal Consent (Wales) 2003 to sell the former Ysgol Aberdyfi site directly to Cartrefi Cymunedol Gwynedd (CCG) for less than market value to ensure the provision of social, economic and environmental benefits. Allocate the capital receipt towards funding the Council's contribution towards improving school buildings as part of the 21<sup>st</sup> Century Schools Programme.

---

### **Local member's views**

#### **Councillor Dewi Owen**

*After reading the report, I can confirm that I'm very supportive of CCG building affordable housing in Aberdyfi. The site is an ideal one and 11 units will be beneficial to the village economy. Given that all the houses will be affordable houses, I can understand that the site will not be purchased for the market value. The most important thing for the Aberdyfi area is for more houses to be built here, especially considering that there are 38 on the waiting list. The village, shops and community will benefit from more affordable housing because the housing for sale in the village is out of the price range of the majority of local people.*

*As a village, we are very glad that something good is to come from the site and that local builders will be employed to do the work. Therefore, I support the idea 100%.*

---

### **1.0 Introduction**

- 1.1 Following the closure of Ysgol Aberdyfi in 2013, children from Aberdyfi now attend Ysgol Penybryn following substantial upgrading, and the site of the former school stands empty. The development brief prepared by the Snowdonia National Park Planning Service states that the site is suitable for a housing development.

1.2 In accordance with the School Reorganisation Post-use Policy, discussions were held with the Community Council and the building was used for a time as a day centre for the elderly. However, following an unsuccessful application for a grant by the Lottery Fund to upgrade the building, it was not possible for the Community Council to continue with their plans for the future of the building.

1.3 Subsequently, discussions were held with the Housing Strategic Partnership, and an application was received from Cartrefi Cymunedol Gwynedd, as a Registered Social Landlord (CCG), to purchase the site for a residential development that would include a higher percentage of affordable housing than what is required on the site. The National Park's planning policy requires that 50% of any new houses on a site like this should be affordable. CCG wished to exceed the requirements and offered to develop them all as affordable housing.

## **2.0 Reasons for recommending the decision**

2.1 CCG intends to develop 11 affordable houses that would be let on social rent. The application coincides with the Council's objectives to increase the Affordable housing provision in Gwynedd and the Housing Department was supportive of the mix of houses proposed by CCG.

2.2 There is an urgent need for affordable housing in the area as the median property price is £290k and this means that 7.2 times the normal income is needed to be able to afford a house. There has been no Social property development has been seen in Aberdyfi for over 11 years (2007).

2.3 Some locations within Gwynedd are very challenging in terms of being able to provide affordable housing and Aberdyfi is one of these. By working in partnership with CCG, we can take advantage of a rare opportunity to provide affordable housing in this location. The Housing Service has earmarked an allocation from the Social Housing Grant for the development in Quarter 3 or Quarter 4 of 2018/19.

2.4 In accordance with the Council's usual procedure when determining a price for the transfer of assets between two semi-public bodies, a valuation was commissioned by the District Valuer, based on what is permitted from a planning perspective.

2.5 The site is located within the boundaries of Snowdonia National Park Authority. SNPA's planning policy requires that 50% of houses in a development of four or more houses should be affordable housing to satisfy local need. Based on this Planning policy, the District Valuer is of the opinion that the value of the site on the open market is £320,000 (three-hundred and twenty thousand).

2.6 An entire development of affordable housing is of lower value. The District Valuer has confirmed that £187,000 is a suitable amount for a development that would result in 100% affordable housing.

CCG have confirmed that their development will be financially viable provided that they can purchase the site for this amount.

2.7 The Council has a legal right in accordance with the General Disposal Consent (Wales) 2003, to sell for less than market value in cases where social, economic or environmental benefits are provided.

2.8 The Council's Housing Service is collaborating closely with CCG on this scheme and is of the opinion that disposing directly to CCG would yield the following benefits:-

- Provide a percentage of 100% affordable housing (11 units) which is substantially higher than the 50% that would be likely to be provided by a private developer in accordance with planning policies.
- Contrary to private developers, CCG are undertaking to ensure that all of the affordable housing (11 units) are social rent housing. The current waiting lists prepared by Gwynedd Council's Housing Options Team (April 2018) for the area confirm the need for social rent housing in the area with 38 applications on the register and there is commitment to have a range of property. Furthermore, the Council's Strategic Housing Unit has included the Aberdyfi site on the programme to receive the Social housing grant within the current financial year should the application be successful, emphasising the need for social rent housing on the site. It is believed that the majority of private developers would wish to sell all of the affordable units.
- In accordance with the agreement between CCG and the successful contractor, CCG's successful contractor will be required to provide training - through a combination of providing opportunities to apprentices and paid employment opportunities.
- CCG will also commit to encourage the use of local contractors and subcontractors. CCG will also encourage and facilitate relationships between the contractor and local further education colleges, as well as local support services such as Job Centre Plus to promote work and training opportunities.

2.9 Cabinet Members will be required to carefully evaluate these social, environmental and economic benefits against the financial loss from not selling on the open market.

2.10 Some of the Council's plans to improve school buildings as part of the 21<sup>st</sup> Century Schools Programme are dependent upon being able to make use of capital receipts realised from the disposal of surplus school sites to fund the required works. Therefore this disposal offers the opportunity to redirect the capital receipt towards this requirement.

## **Next steps and timetable**

Authorise the legal department to transfer the site to CCG and aim to complete the transfer as soon as possible.

---

### **Views of the statutory officers**

#### **Monitoring Officer:**

As noted in the report it is a legal requirement (Section 123 Local Government Act 1972) that the Council disposes of property for a price that is not lower than that which could reasonably be expected. This requirement may be waived with the Government's consent and general consent is provided by General Disposal Consent (Wales) 2003 if the Council is satisfied that the tests within the order have been met. Therefore, in accordance with that which is reported, the Cabinet should satisfy themselves that the proposal in question satisfies the tests within the order and justifies waving the market consideration.

#### **Head of Finance Department:**

The General Disposal Consent (Wales) 2003 allows the Council to dispose of property for less than best consideration under certain circumstances. If the Cabinet wishes to dispose of this asset for less than best consideration (i.e. for a price that is less than the best that can be obtained), the Cabinet will need to satisfy itself that a robust methodology has been used to conclude that the economic, environmental and/or social advantages of this option outweigh the reduction in income. In this case, I am satisfied that there are clear advantages in proceeding with selling for less than the best consideration on the open market. Further, I can confirm (as the author outlines in paragraph 2.10 of the report) that the capital receipt for the Former School Site, Aberdyfi needs to go towards financing the Council's current plans to improve school buildings. Therefore, I fully support the decision sought.

---

### **Appendices**

None