

## **REPORT TO THE CABINET**

13.13.2016

**Cabinet Member: Councillor Dafydd Meurig**

**Subject: To lease the former Bron y Foel School, Y Fron**

**Contact officer: Dafydd Gibbard – Corporate Property Senior Manager**

---

### **The decision sought**

To use powers under the General Disposal Consent (Wales) 2003 to lease the former Bron y Foel School site, directly to Canolfan y Fron for less than market rent, to ensure the provision of social, economic or environmental benefits.

---

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

**Councillor Dilwyn Lloyd:**

“No objection”

---

### **1.0 Introduction**

- 1.1 As part of the Schools Re-organisation process, Bron y Foel school was closed during July 2015, with children from Y Fron now attending Ysgol Bro Llifon; a new area school located in Y Groeslon. As a result, Bron y Foel school lies empty, and is surplus to the Council's requirements.
- 1.2 An application by Canolfan y Fron (a community group) is in hand, to take a lease of the site for a nominal sum in order to create a community resource. Canolfan y Fron have been successful in securing grant funding, and now wish to proceed to realise the community project.

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

- 2.1 In its meeting on the 15.09.2009, the Council Board adopted a Post-Use Policy pertaining to the re-organisation of Primary Schools.
- 2.2 The Policy recognises that the re-organisation of primary schools is likely to result in schools being disposed of in accordance with the usual property disposal principles, policies and statutory requirements. The policy also grants

communities affected by school closures, the opportunity to formulate a business plan to support a community asset transfer.

- 2.3 The Council received a business plan from Canolfan y Fron, together with an application to lease Ysgol Bron y Foel for a period of 99 years, in order to develop a community resource and bunkhouse. The application was subject to the community group's success in obtaining grant funding from the Lottery's CAT 2 fund.
- 2.4 Confirmation was received during early October that the community group had been successful in their bid for £945,000 of CAT 2 funding, to renovate the building, and for the initial cost of funding the community project.
- 2.5 A core condition of the CAT funding is that it can not be used to fund the acquisition /lease of the building. The application has succeeded on the basis that the council will support the project by providing the building.
- 2.6 By the powers granted in the General Disposal Consent (Wales) 2003, the Council have the legal right to dispose at less than market rent in a case where economic, social or environmental benefits are provided.
- 2.7 It is considered that letting directly to Canolfan y Fron would facilitate the following benefits:-
  - Provide new services to residents of Y Fron and the vicinity.
  - Potential job creation.
  - Potential to encourage tourists to visit the area
  - Potential to support small business development.
- 2.8 Acceptance of the recommendation, and use of the powers under the General Disposal Consent (Wales) 2003, to vary from the General Disposal Policy and Section 123 of the Local Government Act 1972, would result in waving the opportunity to sell the site and producing a capital receipt.
- 2.9 Should the property be sold on the open market, we believe that the property's open market value is in the region of £70,000.
- 2.10 Cabinet members must therefore carefully evaluate the social, environmental and economic benefits against the potential financial loss.
- 2.11 It should be noted that the intention is to lease the property. Canolfan y Fron intend to invest heavily in the property, and should the community project fail for any reason, the property will remain in the Council's ownership. It would then be possible for the Council to dispose of the property on the open market.

### **3.0 Next steps and timetable**

3.1 The property service will instruct the legal service to prepare and complete a lease without delay. This will enable the Lottery to release the grant funding to Canolfan y Fron, in order to enable them to adapt the school and realise the community project during 2017/18.

---

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

##### **Chief Executive:**

It's good to see a community group venture to develop resources in the light of the Council's decision to close the school. Obviously, this would mean a loss of potential income on sale to the Council but I obviously wish them every success in this venture and am pleased to support the recommendation in this report.

##### **Monitoring Officer:**

"Section 123 of the Local Government Act 1972 places a statutory duty on the Council to secure the best reasonably available consideration when letting on a long lease. The General Disposal Consent (Wales) 2003 permits such a letting without compliance with the requirement if the Cabinet is of the opinion that the conditions in the Order have been satisfied. The Cabinet should therefore, if it supports the proposal conclude that it is likely to achieve one or more of the following objectives namely promote or improve the economic, social or environmental well-being of the area of the Council or any part of it. The report identifies the benefits which are anticipated from permitting the proposal and these fall within the criteria."

##### **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 establishing a lease for less than the best consideration on the open market."

---

## **Appendices**

Location Plan