

# BRIDGEND COUNTY BOROUGH COUNCIL

## REPORT TO CABINET

19 JANUARY 2021

### REPORT OF THE CORPORATE DIRECTOR - COMMUNITIES

#### PORTHCAWL WATERFRONT REGENERATION SCHEME : SALE OF THE FOOD STORE SITE

#### 1.0 Purpose of report

- 1.1 The purpose of this report is to update Cabinet on the recent marketing of the food store site (on part of The Green and Salt Lake car park); and to seek approval to appoint and dispose of the site to the preferred bidder, in accordance with the proposed heads of terms.

#### 2.0 Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objectives under the **Well-being of Future Generations (Wales) Act 2015**:

1. **Supporting a successful sustainable economy** – taking steps to make the county borough a great place to do business, for people to live, work, study and visit, and to ensure that our schools are focussed on raising the skills, qualifications and ambitions for all people in the county borough.
2. **Smarter use of resources** – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

#### 3. Background

- 3.1 In 2018 the Council advertised its intention to dispose of land at Salt Lake car park and The Green, Porthcawl; which is classed as open space within the definition of Section 123 of the Local Government Act 1972. Objections were received and reported to Cabinet on 18th June 2019. These were duly considered and Cabinet resolved to proceed with the disposal.
- 3.2 On 15<sup>th</sup> September 2020 Cabinet approved the marketing of the Council owned food store site at Porthcawl, as a catalyst for bringing forward land for development for the Porthcawl Waterfront Regeneration Scheme.
- 3.3 The Council owns circa 2.2 acres on the northern portion of The Green and Salt Lake car park site, Porthcawl, which has been designated for development as a food store site. Appendix 1 shows the outline of the site edged in red.

- 3.4 “The Planning Development Brief : Food store site, Salt Lake North, Porthcawl” has been approved by Development Control Committee and sets out the acceptable planning parameters for the site. It is intended that a store of up to 2,322 square metres (Gross Internal Area) with all necessary parking spaces will be accommodated on the site. The development brief provides a series of design principles that identify aspects of design which are considered important to the Council whilst providing the future developer (and their design team) ample scope for interpretation and innovation. These principles reflect an overall requirement for a high quality and bespoke design response given the gateway location of the site.
- 3.5 The food store site forms a key element of the wider land use framework within the proposed new Local Development Plan, that has been worked up for the Porthcawl Waterfront Regeneration Scheme and is intended to act as a precursor to, and catalyst for, future phases of development across the wider site.

#### **4. Current situation / proposal**

##### **4.1 Bidding Requirements :**

- 4.1.1 The site was advertised for sale on the open market by EJ Hales, the Council’s appointed agent, at the end of September 2020.
- 4.1.2 A key objective for the Council was to ensure that bids submitted were well informed and that, once selected, the successful bidder would be able to proceed at pace. To enable this, bidders were provided with detailed technical and planning information, including site investigations, topographical surveys, utilities and drainage information. This information enabled them to submit properly informed and costed bids.
- 4.1.3 As part of the marketing pack, bidders were also provided with detailed guidance on the bidding process. Whilst the Council was seeking to secure the highest bid for the land, in order to deliver best consideration in accordance with Section 123 of the Local Government Act 1972; it also set criteria which the bidders needed to comply with to demonstrate the deliverability of their bids. The criteria included :
- Board approval for their scheme.
  - Funding approved by their Board.
  - Compliance with the Planning Development Brief to demonstrate that a satisfactory planning consent would be forthcoming for their scheme.
- 4.1.4 The Council provided the heads of terms for the disposal agreement, as follows :
- The Council will sell the site by way of a 999 year lease.
  - An agreement for lease to be entered into 8 weeks after Cabinet approval and which requires the bidder to submit a planning application within 6 months of entering into the agreement for lease. The planning application to accord with the indicative plans submitted as part of the bid.
  - If planning consent is not secured within 18 months of entering into the agreement for lease, then the agreement is terminated.

- Works to commence within 6 months of planning consent being granted.
- The 999 year lease to be entered into once planning consent has been granted.
- If the development has not completed within 3 years of the grant of the lease then the Council has the ability to terminate the lease, upon re- paying 90% of the purchase price.

4.1.5 The purpose of these terms are to ensure that the selected bidder delivers the agreed scheme to prescribed timescales. This has the advantage of ensuring control over scheme quality and delivery in a timely fashion, as well as preventing land banking.

#### 4.2 **Selection Process:**

4.2.1 A closing date for bids of noon 2<sup>nd</sup> December 2020 was set.

4.2.2 Bids were processed in accordance with Council procedures.

4.2.3 An officer selection panel was set up to consider and assess the bids. The selection panel sought advice from others in considering the compliance of bids. This included seeking advice from planning and highway officers to consider whether or not bids were in accord with the Planning Development Brief and likely to secure planning consent.

4.2.4 Five bids were received and were assessed on the basis of whether they were compliant with the bidding requirements. The bidding requirements included:

- Provision of sufficient information to demonstrate a scheme, for which planning consent would be forthcoming, in accordance with the Planning Development Brief approved by Development Control Committee. To include appropriate access and active travel arrangements, and bespoke quality design and materials for development of this gateway site.
- Confirmation of Board approval for the scheme and approval of funding.

Of those which were compliant, the preferred bidder was selected on the basis of the highest price to be paid for the land.

4.2.5 The bid details are commercially sensitive and have been anonymised as follows and are ranked in order of highest to lowest value bids for the price to be paid for the land:

- Bid1 : Non Compliant : the bid did not accord with the Planning Development Brief
- Bid 2 : Compliant
- Bid 3 : Compliant
- Bid 4 : Non compliant : the bid did not accord with the Planning Development Brief
- Bid 5 : Non compliant : the bid did not accord with the Planning Development Brief

Of the two compliant bids, Bid 2 was the highest value for the price to be paid for the land.

Bid 2 was submitted by Aldi Stores Ltd and is the selected preferred bidder.

4.2.6 The Council has a statutory duty to ensure it secures best consideration under section 123 of the Local Government Act 1972. It can demonstrate that it has done so in this case as it has openly marketed the site and the value of the selected bid exceeds officers expectations. In addition, EJ Hales Ltd have certified that in their opinion the selected bid is a highly attractive financial offer and in terms of value delivers best consideration.

## **5 Effect upon policy framework and procedure rules**

5.1 The proposals will not have an impact on the Council's policies or procedures.

## **6. Equality Impact Assessment**

6.1 An initial Equality Impact Assessment (EIA) screening has identified that there would be no negative impact on those with one or more of the protected characteristics and an EIA status of low priority is considered appropriate at this stage. It is considered that there are no equality issues arising from this report.

## **7 Well-being of Future Generations (Wales) Act 2015 implications**

7.1 The Well-being of Future Generations (Wales) Act 2015 Assessment based on the 5 ways of working has been considered and there are no significant or unacceptable impacts upon the achievement of wellbeing goals/objectives.

- Long term - The Porthcawl Waterfront Regeneration is a strategic development scheme which has the potential to add vibrancy to the locality through the provision of new housing, leisure and tourism opportunities, as well as retail and commercial developments; set within appropriate open space, parking and public realm.
- Prevention – the current Waterfront sites are largely unoccupied and under-utilised and detract from the attractiveness of the area.
- Integration – the Waterfront development will integrate with and access to the existing town centre, sea front and leisure developments.
- Collaboration – the Council will collaborate with residents, visitors and end users of this regeneration project to ensure successful and sustainable development and outcomes.
- Involvement – ongoing engagement with the community will be an important facet of this regeneration project.

## **8 Financial implications**

8.1 The sale of the food store on the Salt Lake car park site will generate a substantial capital receipt. In November 2018 Council resolved to use £2.553 million of this receipt to invest in approved infrastructure improvements within the Porthcawl Regeneration project, including the upgrading of the Hillsborough Car park, which serves the town centre. These infrastructure improvements are already included within the capital programme and were dependent upon the realisation of the capital receipt. Once the receipt is secured, these improvements can progress.

## 9. Recommendations

It is recommended that Cabinet:

- Approves the disposal of the Porthcawl food store site to Aldi Stores Ltd and enters into the agreement for lease and lease on the terms outlined in this report and at the sale price bid for the land and subject to the bullet point below.
- Delegate authority to the Corporate Director – Communities, in consultation with both the Chief Officer – Legal, HR and Regulatory Services and the Section 151 Officer, to approve the terms of the disposal agreement and enter into the agreement, with a view to legally completing the sale as soon as possible.

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**Background documents:**

None