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| <b>Meeting of:</b>                           | <b>CABINET</b>  |
| <b>Date of Meeting:</b>                      | <b>18 JULY 2023</b>   |
| <b>Report Title:</b>                         | <b>TRANSFER OF CHEAPSIDE POLICE STATION AND BRACKLA ONE MULTI STOREY CAR PARK SITES TO BRIDGEND COLLEGE</b>   |
| <b>Report Owner / Corporate Director:</b>    | <b>CORPORATE DIRECTOR COMMUNITIES</b>   |
| <b>Responsible Officer:</b>                  | <b>JUSTIN KINGDON<br/>GROUP MANAGER – CORPORATE LANDLORD</b>  |
| <b>Policy Framework and Procedure Rules:</b> | <b>There is no effect upon the Council’s policy framework or procedure rules as a result of this report.</b>  |
| <b>Executive Summary:</b>                    | <p><b>The purpose of this report is to:</b></p> <ul style="list-style-type: none"> <li>• <b>Update cabinet on the progress that has been made in relation to the key regeneration site that is to be brought forward as part of the Bridgend Town Centre Masterplan for the purposes of the proposed relocation of the main Bridgend College campus in the heart of the town centre.</b></li> <li>• <b>Update cabinet on the Cheapside Police Station and Brackla One Multi Storey Car Park BCBC assets.</b></li> <li>• <b>Seek approval for officers to bring forward the transfer of these assets to Bridgend College in order to secure the new town centre campus development.</b></li> </ul> |

## **1. Purpose of Report**

- 1.1 The purpose of this report is to update Cabinet on progress that has been made in relation to supporting the aspirations of Bridgend College to relocate their main campus to Bridgend Town Centre on the BCBC owned sites of the former South Wales Police (SWP) Station and Brackla One Multi Storey Car Park at Cheapside, and to seek approval to progress with the transfer of these sites on a long lease basis to Bridgend College in order to facilitate development of this key site within the Bridgend Town Centre Masterplan (the Masterplan).

## **2. Background**

- 2.1 In 2020 BCBC undertook a comprehensive master planning exercise for Bridgend Town Centre. The Masterplan identifies a series of ambitious and deliverable projects for the next

10 years that will support future economic growth and secure greater benefits and opportunities for Bridgend Town and the County Borough.

- 2.2 BCBC has been working collaboratively with key public and private stakeholders to ensure that we have a suite of deliverable projects which have a transformational impact on the Town.
- 2.3 Officers have been working alongside Bridgend College to support their aspirations to transform their learning environment, which began with their Strategic Outline Programme identifying the need for modernisation of the College's Cowbridge Road main campus through WG's 21st Century Schools programme. After an extensive consultation, the consensus was reached that, to enhance the deliverability of educational outcomes for the College, it was essential that Cowbridge Road be effectively split into two schemes, a new STEAM academy (centre for Science, Technology, Engineering, the Arts and Mathematics) at the Pencoed Campus which in turn created an opportunity to review their Cowbridge Road campus for the purposes of their learning and skills programme.
- 2.4 Through the Master planning exercise, the re-development of the Police Station site has been identified as one of the key deliverable regeneration sites. At just 0.2 miles from Pen-y-Bont Train Station, there are considerable opportunities to promote active travel and the use of public transport to the site.
- 2.5 Following a significant amount of feasibility work carried out by Bridgend College the sites of the former Cheapside Police Station and Brackla One Multi Storey Car park were considered suitable in terms of size and location for a new campus development.
- 2.6 The relocation of Bridgend College's Learning and Skills Campus to this site will act as an anchor project, creating a new and modern environment for study within the Town. It will contribute significantly to the economy, from daily student and staff footfall bringing increased spend for local businesses and demand for additional services and infrastructure.
- 2.7 In June 2021 Cabinet approved a proposal to enable officers to progress discussions with SWP on the acquisition of the current Bridgend Town Centre Police Station via Welsh Government's Estate Co-location & Land Transfer Protocol.
- 2.8 Officers were also authorised to pursue and, if successful, accept grant funding from Welsh Government (WG) to support the initial acquisition and future demolition of the current Police Station building.
- 2.9 In July 2021 officers were successful in securing WG grant aid to support the acquisition and future demolition of the Police Station site. This followed the successful Bridgend College Strategic Outline Proposal (SOP) to Welsh Government's 21<sup>st</sup> Century Schools and Colleges Programme Investment Panel for the project's inclusion within its current Band B programme.
- 2.10 In November 2021 Cabinet approved the acquisition of the Cheapside Police Station and its subsequent demolition in order to form part of a joint regeneration scheme between BCBC and Bridgend College.
- 2.11 The Police Station was acquired in January 2022 using WG's Transforming Towns grant support and a BCBC capital allocation, providing South Wales Police with a leaseback position until 31<sup>st</sup> October 2022, following which demolition would occur in readiness for future development.

- 2.12 In March 2020 a paper was presented to CMB on the condition of the Brackla One Multi Storey car park which identified a number of items including:
- Delamination of the concrete soffits that could present a health and safety issue for those using the car park.
  - Structural components that have been known to fail in other car parks of similar age / design resulting in collapse are recommended to be reinforced
  - Structure requires protection from chlorides and carbonisation
  - Repairs required to the car park parapets
  - Anti-carbonisation coating to columns required
- 2.13 Consequently, CMB approved a decision to close and demolish the Brackla One Multi Storey Car Park and seek to relocate Shopmobility.
- 2.14 In January 2021 the ongoing structural inspections of the car park identified an increase in the rate at which the concrete was spalling and recommended immediate closure of the car park to ensure the risk to users was removed.
- 2.15 The car park has remained closed since January 2021 and officers are bringing forward plans to demolish it.

### **3. Current situation / proposal**

- 3.1 This is a proposed joint regeneration scheme between Bridgend County Borough Council (BCBC) and Bridgend College to redevelop a strategically located site within Bridgend Town Centre.
- 3.2 WG Grant conditions for the Campus development will ensure a Net Zero Carbon development is achieved aligning with BCBC Decarbonisation Policy and aspirations.
- 3.3 In order to facilitate the development, it is a requirement of WG 21<sup>st</sup> Century Schools Programme that any proposed sites are within the ownership control of the developing education establishment and, as such, both sites must be transferred to Bridgend College if the development is to proceed.
- 3.4 In June 2023 Bridgend College received acceptable tenders and obtained WG approval to proceed with the Town Centre Campus development, triggering the requirement for ownership of the sites to be completed.
- 3.5 Bridgend College require the transfer of the sites on a long leasehold basis to occur as soon as possible to allow contracts for the development to be entered into.
- 3.6 Following South Wales Police vacation of the site in January 2023, officers have brought forward the demolition of the building and this was completed on the 30<sup>th</sup> June 2023. The site has been cleared, hoarded and is ready for onward transfer to Bridgend College.
- 3.7 Officers are currently working on the demolition of the Brackla One multi storey car park, with tenders set to be issued in August 2023. It is anticipated that demolition can be completed by April 2024.
- 3.8 The demolition of the multi storey car park is extremely complex given its structural composition and further challenges posed by its proximity to the mainline rail network and

bounded by both Asda and Aldi. The demolition of the car park can only be brought forward on receipt of Network Rail permissions and suitable indemnity insurance being in place.

- 3.9 Approval has been provided by Cabinet in June 2021 and November 2021 to acquire, demolish and transfer the Police Station site to Bridgend College by way of a long lease basis.
- 3.10 Approval is sought to transfer the site of both the Police Station and the Brackla One multi storey car park on a long lease hold basis at nil consideration on the basis of this being BCBC's contribution to facilitating this key town centre development.
- 3.11 Once approval has been received it is proposed that an Agreement for Lease is entered into with Bridgend College that will guarantee the transfer of the cleared car park site to them upon completion of the demolition and thus providing them with the security required to award their development build contract and satisfy the conditions of their WG grant.
- 3.12 Once approved the land transfers will be specifically for the purpose of bringing forward the town centre college campus development. Should the development not proceed the land will transfer back to BCBC ensuring they can be included in alternative town centre development options for these key strategically located sites.

#### **4. Equality implications (including Socio-economic Duty and Welsh Language)**

- 4.1 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, on socio-economic disadvantage or the use of the Welsh Language. It is therefore not necessary to carry out a full EIA on this policy or proposal.

#### **5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives**

- 5.1 This report and proposed regeneration in Bridgend Town Centre assists in the achievement of the following corporate well-being objectives under the Well-being of Future Generations (Wales) Act 2015:-
- A County Borough where we protect our most vulnerable – Supporting people facing homelessness to find a place to live
  - A County Borough with fair work, skilled, high-quality jobs and thriving towns – · Improving our town centres, making them safer and more attractive · Attracting investment and supporting new and existing local businesses.
  - A County Borough where we help people meet their potential – Providing safe, supportive schools with high quality teaching and expanding Welsh medium education opportunities ·
  - A County Borough that is responding to the climate and nature emergency – Moving towards net zero carbon and improving the energy efficiency of our buildings and services. Improving flood defences and schemes to reduce flooding of our homes and businesses
  - A County Borough where people feel valued, heard and part of their community – · Improving the way we engage with local people, including young people, listening to their views and acting on them ·

- A County Borough where we support people to live healthy and happy lives –Improving active travel routes and facilities so people can walk and cycle.

It also links to the 5 ways of working under the Well-being of Future Generations (Wales) Act as follows:

- **Long term** – Investment in a modern and inspiring learning campus for higher and further education in Bridgend will support the aspirations of young people for many years to come. As a strategically located development site within the Town Centre the development is an investment in the transformation of the Town's economy.
- **Prevention** – Following SWP's vacation of their site it is , BCBC's responsibility is to ensure that this large brownfield site does not remain vacant and is brought forward for the right development which contributes to the economy of the Town.
- **Integration** – This project will ensure that the new College is accessible to all its students and community. It will make its vocational offer and training an integrated and accessible part of the Town Centre's community and service provision. The proposed development will ensure easy access to active travel and public transport is a key element of the site configuration.
- **Collaboration** – BCBC has collaborated extensively on the development of its new Masterplan for the Town Centre, within which this is the transformative anchor project. This opportunity is being developed collaboratively with Bridgend College and SWP.
- **Involvement** – A development of this nature and scale will require the ongoing involvement of the Town Centre community, both business and public to ensure its success. The College Campus will be designed with the involvement of students, staff and public to ensure it is fully integrated into the Town Centre and only enhances current Town Centre provision.

## 6. Climate Change Implications

- 6.1 Taking action to support decarbonisation is critically important in order to protect and sustain the environment over the long term. The proposed development by Bridgend College will be built to Net Zero Carbon standards and as such is directly aligned with the Council's wider decarbonisation commitment. Additionally, facilitating the delivery of regeneration of a previously developed site within existing settlement boundaries represents an inherently sustainable form of development that is sequentially preferential to the development of greenfield land.

## 7. Safeguarding and Corporate Parent Implications

- 7.1 Due regard has been paid to the BCBC Safeguarding Policy which seeks to safeguard and promote the wellbeing of children, young people and adults at risk of abuse or neglect and to ensure that effective practices are in place throughout the Council and its commissioned services. Given the subject matter of this report no negative safeguarding implications have been identified.

## 8. Financial Implications

- 8.1 The financial implications for BCBC are in respect of transferring assets currently owned by BCBC to Bridgend College on a long leasehold basis at nil value consideration.

- 8.2 Acquisition costs of the former police station site were supported by a District Valuation in March 2021 which provided a land cost estimate of £650,000 (Capital). In March 2021 pre-acquisition demolition and site security cost estimates were received at £650,000.
- 8.3 The following grant funding package was secured for the acquisition and demolition:

| <b>Funder</b>      | <b>£</b>          |
|--------------------|-------------------|
| BCBC               | £390,000          |
| Transforming Towns | £910,000          |
| <b>Totals</b>      | <b>£1,300,000</b> |

The BCBC funding was broken down as follows

| <b>BCBC Match Funding</b>       | <b>£</b> |   |
|---------------------------------|----------|---|
| Acquisition                     | £195,000 | Sum is currently ring-fenced within the Regeneration SRF budget to match fund the TT programme. The SRF finance is approved within the authority's capital programme. |
| Demolition and associated costs | £150,000 | This sum has been ring-fenced to this project within the Demolitions Earmarked Reserve  |
|                                 | £45,000  | Sum is currently ring-fenced within the Regeneration Projects SRF budget to match fund the TT programme.  |
| Total Match Funding             | £390,000 |   |

- 8.4 The acquisition was completed at £650,000 and demolition has been completed with final costs of the demolition coming within the allocated grant funding amount received.
- 8.5 The Brackla One multi storey car park is currently valued on the BCBC balance sheet at £310,500, based on a cleared, ready for development land value basis, and the shopmobility element written down to £0 at the end of 2021 following closure of the car park.
- 8.6 An estimate for the total cost of demolition of the car park has been made between £900,000 and £1.4m, incorporating a significant cost of securing indemnity insurance. Funding has been set aside via earmarked reserves and a corporate revenue contribution to meet these costs.
- 8.7 The proposed car park demolition will result in the site being cleared and levelled to ground floor only leaving considerable piled foundations and subterranean elements in situ. It is estimated that further costs of up to £350,000 (funded by Bridgend College) will be required to the site before it is capable of beneficial redevelopment, resulting in a current nil value appraisal. These costs are factored into Bridgend College's development costs and it is proposed the site will transfer to the College in this state. Should the site be retained by BCBC this cost will have to be incurred prior to beneficial re-use of the site. At this stage there is no BCBC allocated funding for this element.
- 8.8 It is proposed that both assets are transferred at nil consideration in recognition of BCBCs contribution to bring forward this key town centre development opportunity. The Police Station was acquired with the benefit of a Welsh Government Grant for the sole purpose of bringing forward this development. The Brackla One multi storey car park is already closed and incapable of future beneficial use as it is structurally unsound, life expired and needs to be removed. Whilst there could have been a potential revenue income stream from a leased arrangement, it is considered more economically beneficial to the regeneration of the Town Centre for this development to progress. Therefore, we are transferring both sites at nil

consideration at this time, as the economic benefits of the proposed development significantly outweigh any potential income source.

- 8.9 Legal advice has been obtained in respect of the potential Subsidy Control implications based on the nil value transfer. Subsidy control implications sit alongside, and in addition to, the statutory duty to sell land at the best price reasonably obtainable under section 123 of the Local Government Act 1972 where Public Authorities are required to consider whether or not a land transfer amounts to financial assistance by way of subsidy.
- 8.10 Education services organised within the national education system, which are both funded through public funds and supervised by the UK Government, are not considered to be economic activities for the purposes of the Subsidy Control Act 2022. Equally, where the costs of education services are principally funded, whether directly or indirectly, through public resources, those services will not be considered to be an economic activity despite the fact that students, or their families, pay fees toward the provision of those services.
- 8.11 Information provided by Bridgend College evidences that the College is part of the national education system and that they are required to conduct their affairs in accordance with national education legislation and any orders or directions made by the Welsh Assembly Government. The College has advised that 80% of their funding is derived directly from public funds provided by Welsh Government. While some of the remaining 20% of their funding appears to be derived from commercial activities that doesn't appear to be a significant proportion of their overall funding and it would appear that they are principally funded through public funds.
- 8.12 Prior to transfer officers will work with Bridgend College to demonstrate whether or not they are an enterprise under the definition within the Subsidy Control Act 2022. Should it be determined the transfer is considered a subsidy then the subsidy can still be lawfully awarded providing the requirements of the Act are met, which will be to demonstrate that the subsidy is proportionate and specifically designed to bring forward something that would not otherwise happen with the subsidy, which in this case without the land the development would not occur.
- 8.13 At present it is not envisaged that there are any other financial implications to BCBC in relation to the proposed project.

## **9. Recommendation**

- 9.1 It is recommended that Cabinet: -
- Note the progress that has been made in connection with the acquisition and demolition of the former Police Station Site at Cheapside in readiness for transfer to Bridgend College in support of their Town Centre campus proposal.
  - Note the progress in respect of the demolition of Brackla One multi storey car park.
  - Authorise officers to complete the requisite legal documentation to transfer both sites to Bridgend College for nil consideration in accordance with WG Estate Co-location & Land Transfer Protocol and Subsidy Act Control in order to support and facilitate the Town Centre Campus development only, whereby should the same development not proceed the land would transfer back to BCBC.

**Background documents** None