

EXECUTIVE BOARD
20/01/2020

Cross Hands Community Health and Wellbeing Centre

Purpose:

To consider the purchase of the Council's joint venture partner's interest in land at Cross Hands West to facilitate development of the Cross Hands Community Health and Wellbeing Centre.

Recommendations / key decisions required:

To endorse the purchase of the Joint Venture partner's interest in the land for the sum of £315,000.

Reasons:

To support Hywel Dda University Health Board's proposal to develop a Health and Wellbeing Centre at Cross Hands aiming to provide a sustainable solution for the continued provision of primary and community health and social care in the area.

Relevant scrutiny committee to be consulted - NA

Executive Board Decision Required - YES

Council Decision Required - NO

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:- Cllr. David Jenkins

Directorate

Name of Head of Service:

Jason Jones

Report Author:

Hywel Humphreys

Designations:

Head of
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EXECUTIVE SUMMARY

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Cross Hands Community Health and Wellbeing Centre

Background Information

Carmarthenshire County Council has led on the mixed-use redevelopment of the 56-acre former West Tip site at Cross Hands on a joint venture (JV) basis, in a 50/50 partnership with a private developer, George LB. The JV has put in place the infrastructure at a cost of £6m to facilitate the redevelopment of the site. Persimmon are currently on site and are now nearing the completion of some 120 houses. Plot 2B (approx. 4.3 acres) was sold earlier this year to Pobl who will shortly deliver 60 affordable houses of mixed tenure. The remaining residential plot 2A (4.8 acres) is currently being marketed by Property and Regeneration. The development of the 10-acre retail site is now nearing completion, attracting national retailers. The remaining parcel of land (3 acres) is identified within the Council's Local Development Plan (LDP) for mixed use, including health care. The revised LDP allocation for the subject site is more specific, allowing for wellbeing / medical centre and community use. The plan attached at appendix 1 shows the various elements of the JV development site (Cross Hands West).

The Plot reserved for the Health Facility is shown hatched on the attached plan at Appendix 2.

Current Position

An outline planning application (with all matters reserved) for the proposed development was submitted by Hywel Dda University Health Board (HDUHB) in August 2019, with determination likely in the early quarter of 2020. HDUHB have also submitted an Outline Business Case (OBC) to Welsh Government (WG) seeking funding support. The business case needs to demonstrate that the land is deliverable. A decision on the business case, and funding required, is expected from WG in early February 2020. If the OBC is approved by WG, HDUHB will be required to submit a Full Business Case to WG. This would likely be determined towards the end of 2020. It is only on approval of the FBC that funding will be made available to allow a purchase of the land, subject to planning permission, to proceed.

HDUHB cannot commit to purchase the land until planning permission is granted and funding is confirmed.

HDUHB jointly with the JV partners have commissioned an independent valuation of the site by the District Valuer (10th October 2019). The independent advice confirms a site value of £630,000, after allowing for abnormal costs.

Purchase Proposal

The Council's JV partner is reluctant to commit to a sale of the land now to HDUHB as a funding decision is unlikely before the end of 2020 at the earliest and there is no guarantee that the purchase will eventually complete.

On this basis, HDUHB were unable to evidence to WG that the land required for the development is deliverable. To overcome this Officers have agreed, subject to Executive Board approval, terms for the Council to purchase the private sector JV partner's interest in the subject land.

The proposal is for the Council to acquire the JV partner's 50% interest in the land. This purchase would be subject to WG approving the OBC. At this point the Council would purchase the JV partner's interest for the sum of £315,000, and simultaneously exchange contracts with HDUB for a sale of the land for £630,000. This sale to HDUHB would be subject to full planning permission being granted for the proposed scheme and approval of the FBC by WG.

There will be some risk to the Council in proceeding on this basis. This risk is mitigated in terms of the planning condition as the land is allocated for the proposed use. Regarding WG funding approval, conditional contracts will only be exchanged once WG have approved the OBC, which should give comfort that there are realistic prospects of the FBC being approved. In the unlikely event that the proposed development doesn't proceed then the Council would be able to dispose of the land for alternative use, subject to planning.

If the Council does not agree to buy out the private sector JV interest, then the scheme is unlikely to proceed as it cannot be demonstrated that the land is deliverable.

Recommendation

To facilitate the strategic development proposals, it is recommended that the Council agrees to purchase the Joint Venture partner's 50% interest in the land for the sum of £315,000 and authorises officers to simultaneously progress the sale of land to HDUHB.

Detailed Report attached

Appendices 1 & 2

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: Jason Jones Head of Regeneration

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
YES	YES	YES	NONE	YES	NONE	YES

Policy, Crime & Disorder and Equalities

The proposed sale accords with the principles of the Well-being and Future Generations (Wales) Act 2015. The development aims to provide a sustainable solution for the continued provision of primary and community health and social care in the area. Further, in line with Hywel Dda University Health Board's aspiration to adopt a social model of health as outlined in its long-term strategy 'A Healthier Mid and West Wales: Our Future Generations Living Well', the development also embraces a community development approach to health promotion.

Recognising the specific needs of the area, the development will provide a 'hub' for the provision of bespoke information, advice and assistance to support and empower the local population to manage their own wellbeing needs. Adopting this approach and targeting wider determinants of health will provide a valuable contribution to improving the health and well-being of the present and future generations living in the Amman Gwendraeth locality.

Legal

The acquisition of the land and subsequent sale will require legal advice and preparation of appropriate legal documentation.

Finance

The payment to the JV partner (George LB) will be £315,000 (three hundred and fifty thousand pounds).

This sum of money, and the remaining 50% of the land value, will be recouped on completion of the sale of the land to HDUHB, subject to planning Permission and WG funding support. In the unlikely event that the sale does not proceed the land will be sold for alternative use to recover costs.

The funding for the payment can be provided from Departmental Reserves. As recognised in the report funding is required for a short-defined period, as the land will be sold on to the Health Authority. Therefore, the requirement is more of cashflow funding issue. With the funding being provided from Departmental Reserves upon the sale of the Land to the Health Authority the reserves can be repaid to the said reserve.

Risk Management Issues

There is a risk that the proposed sale to HDUHB will not complete. There are only two matters that can adversely affect the sale. This risk is mitigated in terms of the planning condition as the land is allocated for the proposed use. Regarding WG funding approval, conditional contracts will only be exchanged once WG have approved the OBC, which should give comfort that there are realistic prospects of the FBC being approved.

Physical Assets

Disposal of the land will generate a capital receipt for the Council, whilst also ensuring that future maintenance of the asset would be undertaken by a third party.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: Jason Jones Head of Regeneration

1. Scrutiny Committee

n/a

2. Local Member(s)

Cllrs Emlyn Dole and Dot Jones have been consulted and are supportive of the proposal.

3. Community / Town Council

n/a

4. Relevant Partners

Hywel Dda and JV partner have been consulted and are in support

5. Staff Side Representatives and other Organisations

n/a

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

THESE ARE DETAILED BELOW OR THERE ARE NONE (Delete as applicable)

Title of Document	File Ref No.	Locations that the papers are available for public inspection
To be completed	To be completed	To be completed (Delete as applicable)