

## **DECISION NOTICE OF AN INDIVIDUAL MEMBER OF GWYNEDD COUNCIL CABINET**

**DATE OF DECISION 3 November 2021**

**DATE DECISION PUBLISHED 12 November 2021**

**DATE DECISION WILL COME INTO FORCE** and implemented,  
unless the decision is called in, in accordance with section 7.25 of  
the Gwynedd Council Constitution **19 November 2021**

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Cabinet Member: Councillor Craig ab Iago

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### **SUBJECT**

To support the principle of leasing the Penrallt multi-storey car park and selling off part of the Crown Buildings court

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### **DECISION**

To support in principle of offering a long-term lease of Penrallt multi-storey car park to Oaking Development (North Penrallt) Ltd subject to a positive outcome to the consultation that will form part of the process of applying for planning permission for the development of the Crown Buildings site

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### **REASON WHY THE DECISION IS NEEDED**

Please see attached Officer Report

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### **DECLARATIONS OF PERSONAL INTEREST AND ANY RELEVANT DISPENSATIONS APPROVED BY THE COUNCIL'S STANDARDS COMMITTEE**

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### **ANY CONSULTATIONS UNDERTAKEN PRIOR TO MAKING THE DECISION**

Consultation with  
Gwynedd Council Statutory Officers

The results of the consultations are reported upon in the attached report

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**DECISION NOTICE OF AN INDIVIDUAL MEMBER OF GWYNEDD COUNCIL  
CABINET – OFFICER REPORT**

Name and title of Cabinet Member/s:	Councillor Craig ab Iago
Name and title of Report Author :	Penrallt Car Park
Date of Decision :	03/11/21
Signature of Cabinet Member/s :	

**Subject :** Support the principle of leasing the Penrallt multi-storey car park and selling off part of the Crown Buildings court

**Recommendation for the Decision :**

Support in principle of offering a long-term lease of Penrallt multi-storey car park to Oaking Development (North Penrallt) Ltd subject to a positive outcome to the consultation that will form part of the process of applying for planning permission for the development of the Crown Buildings site.

**Reason why Decision is needed :**

Provide adequate assurance for Oaking Development (North Penrallt) Ltd to proceed to a planning application, to facilitate residential development on the Crown Buildings site.

**Reason and justification behind the Decision :**

Background

Following the development of new Offices in Llandudno Junction, a decision was made by the Welsh Government to rationalise their offices, which led to the closure of the Crown Buildings offices in Penrallt.

The offices have been empty for some years now; their condition is deteriorating, and there is no demand for offices of this size as a town. Further, it is anticipated that demand for offices is likely to decrease due to the practice of working from an established home over the Covid period.

The Welsh Government has marketed the site for an extended period of time, and as a result of the marketing process a developer has been identified, who is subject to planning permission, is keen to develop the site for the provision of residential units.

To enable the developer to realise a residential scheme on the site, it will be necessary to transfer the ownership of part of the Crown Buildings court to the developer at Market Value, and in order to comply with planning requirements, the developer will need to be able to provide parking space for the residential units.

An application has therefore been received on behalf of the developer through the Welsh Government to purchase part of the Government building court yard at open market value, and to take a 150 year lease from the Council's multi-storey car park for a nominal amount.

The developer's proposal is subject to planning permission right, and we understand that the intention is to develop 42 residential units on the existing government building site, with 30% of these units to be affordable housing. In terms of the affordable units, the development would therefore provide 7 one bedroom units, and 7 two bedroom units, and we understand that the developer has opened a discussion with a Social Housing Provider in relation to the affordable units.

Subject to a planning permission being granted, we will seek further authority to lease the car park and sell the curtilage to the developer following the planning process. By then, public consultation will have taken place as part of the planning process.

Unless the Council is willing to facilitate the development in this way, it will not be possible to re-develop the site and the condition of the building will deteriorate and re-develop anti-social behaviour for many years.

#### Rationale and benefits to the Council of authorising the recommendation

An agreement is already in place between the Welsh Government and the Council to allow the Government to use 104 parking spaces in penrallt multi-storey Car Park in connection with the use of Crown Buildings as offices.

By winding up the agreement referred to above, and granting the developer a new lease for a period of 150 years for the car park as a whole, there would be a reduction in the Council's maintenance costs for the car park.

Further, through a sub-lease arrangement, the Council would have use of 183 parking spaces within the car park. That is 44 parking spaces greater than the

current agreement. The developer will only be entitled to 60 parking spaces to in accordance with the recommended agreement.

Should the Council's requirement for parking spaces be significantly reduced during the term of the lease, the Council would retain the option to terminate the sub-lease, and as part of that process the developer would be required to pay an open market value for the Council's residual interest.

### Other Risks and Considerations

Granting a lease for a period of 150 years would mean that the Council will lose the option of re-developing the car park site during that period. However, it is likely that any second significant development at this location would be dependent on being able to provide adequate parking space, and therefore it would be very difficult to change the use of the car park itself.

The Council would also be reliant on the developer to maintain the car park to a standard that would keep the Council as the owner of the freeholder as well as a user. It would be possible to include clauses in the lease to protect the Council's interests in this respect.

### Conclusion

If the Council supported the recommendation, and a further decision to lease the site was authorised by the Council following the planning process the Council would:

- Facilitate residential development within the town providing economic and social benefits.
- Benefit of the use 44 additional spaces in the car park than in line with the current agreement with the Welsh Government.
- Reduce it's maintenance cost sn relation to the car park

The price to be paid for securing the above benefits would be the Council's inability to re-develop the site should there be a wish to do so, for a period of at least 150 years.

### **Declarations of personal interest by any Cabinet Member consulted with and any relevant dispensations approved by the Standards Committee**

None.

**Any consultations undertaken prior to making the decision :**

**Head of Finance** – I understand that the decision sought is the culmination of detailed negotiations between the Council and external parties. I am comfortable that the decision sought therefore offers an opportunity to develop a significant building in Caernarfon which has already been vacant for some time.

The information presented in the Decision Notice states that there is an intention to transfer part of the curtilage of the vacant offices to the developer at market value, but the car park would be leased to them for a nominal amount for a period of 150 years. Therefore, whilst noting that the Council would not be able to take advantage of capital receipts for the car park, there are advantages in leasing it to the developer as the maintenance costs would be transferred to the developer, while allowing the signing of a sub-lease that would enable the Council to continue to make use of the car park.

**Monitoring Officer** – Support the principle of offering a long-term lease from Penrallt multi-storey car park to Oaking Development (North Penrallt) Ltd subject to a positive outcome to the consultation that will form part of the process of applying for planning permission for the development of the Crown Buildings site.

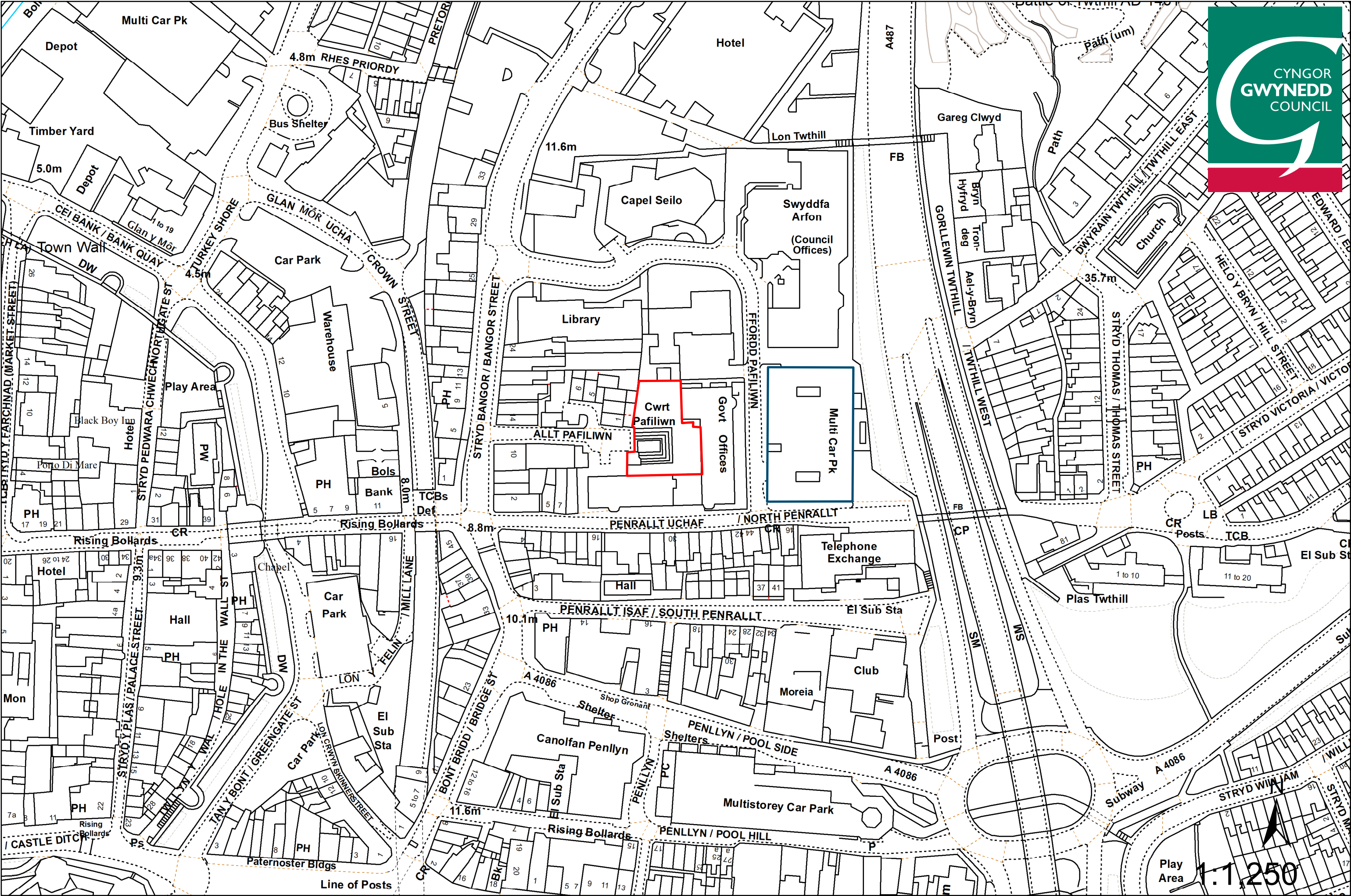
As it is recognised that there is no legal binding arising from the confirmation decision that the Council is willing to continue at the address sought by the developer

**Local Member/s** - The building has been empty for some time now and is clearly deteriorating.

There is no longer a demand for offices in town centres and other uses are needed or the building will deteriorate further.

No objection to the change of use to residential units but a fully robust condition is needed to ensure at least 30% affordable housing.

There is a parking problem for residents and consideration should be given to whether a few spaces can be offered in the multi-storey car park.



# Maes Parcio Penrallt

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