

DECISION NOTICE OF AN INDIVIDUAL MEMBER OF GWYNEDD COUNCIL CABINET

DATE OF DECISION 14 April 2025

DATE DECISION PUBLISHED 23 April 2025

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 30 April 2025

Cabinet Member: Councillor R Medwyn Hughes, Cabinet Member for Economy and
Community

SUBJECT

Create a joint venture with Welsh Government, to build industrial units on Eryri Business
Park, Minffordd

DECISION

To Authorise the Head of Economy and Regeneration in consultation with the Head of
Legal, Head of Finance and Head of Housing and Property to enter into a joint venture
agreement with Welsh Government to co-invest to build 10 industrial units at Eryri
Business Park, Minffordd

REASON WHY THE DECISION IS NEEDED

Please see attached Officer report

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

None

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

DECISION NOTICE OF AN INDIVIDUAL MEMBER OF CYNGOR GWYNEDD CABINET – OFFICER'S REPORT

Name and title of Cabinet Member(s):	R Medwyn Hughes, Cabinet Member Economy and Community
Name and title of the Report's Author:	Nia Bowden, Business Support Manager, Economy and Community Department Daniel Lewis, Estates Manager, Housing and Property Department
Date Decision was Taken:	14.4.2025
Cabinet Member(s)'s Signature:	

Subject: Create a joint venture with Welsh Government, to build industrial units on Eryri Business Park, Minffordd

Recommendation for the Decision: To Authorise the Head of Economy and Regeneration in consultation with the Head of Legal, Head of Finance and Head of Housing and Property to enter into a joint venture agreement with Welsh Government to co-invest to build 10 industrial units at Eryri Business Park, Minffordd

The reason for the need for a Decision:

To enable the Economy and Community department to proceed with the development of 10 industrial units at the Eryri Business Park, Minffordd on Welsh Government land and change the operating arrangement authorised by Cabinet in April 2023 to be a joint venture with the Welsh Government, rather than a development by Cyngor Gwynedd alone.

Rationale and justification for reaching the Decision:

In April 2023, Cyngor Gwynedd's Cabinet approved expenditure of up to £2.925m for building 10 work units at the Eryri Business Park, Minffordd. Cyngor Gwynedd intended to buy the site from the Government and develop the properties

ourselves. There was no discussion of a joint venture between the Council and the Welsh Government.

The costs of developing this site have increased significantly since April 2023, to approximately £3.5m. To fill this funding gap, and to ensure the best value for the Council's investment in recent months, the Housing and Property department has been negotiating terms with the Welsh Government for realising the development in the form of a joint venture for up to 15 years. This represents a model that will allow the project to continue in light of this situation.

The Government and the Council will be contributing equally towards the initiative of developing industrial units to be let with an investment of up to £1.75million each.

The Council will manage the site and lettings and will therefore receive remuneration for that work with the remainder of the rent after any maintenance deductions being split equally between the Council and the Welsh Government.

The Welsh Government will retain ownership of the site, and have agreed to grant a 20 year (initial) lease to Cyngor Gwynedd for a rent of £1 per annum in order to realise the purpose of the joint venture.

After 5 years, the Council will have the right to notify the Government that it wishes to purchase the site for no more than 50% of the market value at the time. This percentage represents the Welsh Government's share of the joint venture and the purchase would take the form of a lease purchase of no fewer than 999 years.

If the Council has not notified the Government of its intention to purchase the site within 15 years then the Government will have the right to dispose of the site on the open market and the money received if sold to a third party would be divided equally between the Government and the Council.

If the property has not been sold within 20 years the Government will have the right to compel Cyngor Gwynedd to purchase the site in accordance with the above terms. There is no intention to buy the site for more than the market value.

Officers have modelled different forms of funding this development and a joint venture with the Welsh Government appears to be the preferred option to deliver on the Cabinet's decision.

Record of any personal interest by any Cabinet Member consulted and any dispensations approved by the Standards Committee:

Any consultations undertaken prior to making the Decision:

Chief Finance Officer

"The decision sought is a reasonable step to take in view of the increase in the cost of developing the site and the limited resources available to fulfil the plan."

Monitoring Officer

"What is proposed offers an appropriate commercial pathway to fulfil the Cabinet decision to support construction of the units, It responds to the inevitable challenge arising from rising construction costs. The joint venture arrangement has already had input from the Legal Team. I am satisfied with the propriety of the way forward along with the delegation arrangements to support it."

Local Member/s -