

Craven, Christine (AMSS Karen Sinclair)

From: Williams, Ceri (Special Adviser) [Ceri.Williams@Wales.GSI.Gov.UK]
Sent: 01 March 2007 10:56
To: Sinclair, Karen (Assembly Member)
Subject: River Lodge, Llangollen

Importance: High

Karen,

Here is a copy of a briefing officials have prepared for Andrew this morning.

Background

In December 2005 the then Welsh Development Agency (Land Division) Management Team approved the acquisition of the former hotel known as River Lodge Llangollen and the subsequent lease of the premises to the Powys Fadog Community Centre as a centre for health well-being, learning and development.

The property occupies a prominent position at the entrance to Llangollen fronting directly onto the A542 Wrexham Road and is situated within grounds extending in total to some 2.25 acres. Although originally developed as a hotel it has not traded as such for in excess of 5 years during which time it has been subject to a number of temporary unauthorised uses including a night club.

Subsequent negotiations with the owner however broke down in early 2006 following an approach from a third party developer to acquire the site. This interest failed to materialise and the owner re-entered negotiations with EIN in November as he was unable to secure developer interest in the site. The District Valuer was instructed to provide an open market valuation of the property in accordance with the provisions of the RICS "Red Book". In a letter dated 8 January 2007 he confirmed that a sum of £1.6m to be a reasonable sum for the freehold interest of the premises and adjoining land. The site is within the development boundary of Llangollen and as such is suitable for development for residential purposes.

Formal project approval was secured on 18 December 2006 enabling Legal Services to prepare draft contracts for the acquisition of the property and the lease of the building following completion to Powys Fadog. The balance of the undeveloped part of the site is to be retained for subsequent disposal for residential development on the open market to meet local housing needs.

Powys Fadog is an established community group with representatives drawn from a wide section of the local community. This includes the Department's Senior Land Manager in North Division, Amanda Brewer, who is a Director and Company Secretary. This interest, although it does not involve any remuneration, has been recorded on the Welsh Assembly Government register. The group proposes to fully refurbish the building to provide a community facility which will meet the needs of local groups and individuals as well as visitors to the area. The range of activities being proposed include:

- Health and well being including meditation and relaxation
- Personal development and training
- Self defence classes
- Remedial and behavioural therapy courses
- Children's clubs and crèche facilities
- Environmental action

- Young peoples' programmes and activities
- Welsh Language courses
- Theatre and arts workshops

To add value to the existing tourism offer within the Dee Valley, the Centre will also provide a range of these courses on a residential basis to attract visitors to the area who might not otherwise consider North Wales as a location for such learning opportunities.

Lines to Take:

- The decision to acquire the property followed a full appraisal of the site including its existing condition and development potential. The prominent position of the property and its deteriorating condition confirmed the need for prompt action given the failure of the private sector to come forward with a scheme.
- The acquisition of the site has been discussed with officers of Denbighshire County Council to ensure the proposed use was acceptable and that the remainder of the site could provide a useful addition to the housing land supply within Llangollen.
- Your officials are continuing to work closely with the County Council to bring forward other private sector schemes within Llangollen and are unaware of any proposals which have been refused support since the STVEI Initiative for the town was first introduced. A total of £1.1 M has been invested by way of Environmental and Town Improvement Grants over the last 4 years demonstrating the Department's commitment to businesses within the town.
- ④ • The activities proposed for the building are entirely consistent with those normally associated with community groups and have been developed with the involvement of the wider community. Powys Fadog recently undertook a survey of 200 local people to understand their needs and aspirations for the centre. There is a clear commitment to continue to work with the local community to ensure their needs are fully reflected in the range of activities undertaken at River Lodge.
- ⑤ • There has been absolutely no conflict of interest in the way your officials have dealt with this matter. When this property was first identified as a potential opportunity purchase by the then Land Division, Amanda Brewer declared her interest, albeit non pecuniary, to her line manager, the Regional Land Director, prior to any negotiations being commenced with Powys Fadog. This interest has now been transferred to the Welsh Assembly Government's Register. The negotiation of the terms of the lease is however being dealt with by the Department's North Property Manager Martin Williams, to avoid any perception of conflict of interest. The valuation of the property was undertaken completely independently of the Welsh Assembly Government by the District Valuer in accordance with RICS Red Book principles.

Ceri Williams

Ymgynghorydd Arbennig - Menter, Arloesi a Rhwydweithiau
 Special Adviser - Enterprise, Innovation & Networks
 Llywodraeth Cynulliad Cymru/
 Welsh Assembly Government
 Caerdydd/ Cardiff
 CF99 1NA

Ieuan Wyn Jones AC/AM
Dirprwy Brif Weinidog /Deputy First Minister



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Eich cyf/Your ref
Ein cyf/Our ref : MB/DFM/0267/07

Karen Sinclair AM
National Assembly for Wales
Assembly Building
Cardiff
CF99 1NA

13 November 2007

Dea Karen

I understand you telephoned one of my officials recently, [REDACTED], Senior Regeneration Manager, at the St Asaph office asking for an up-date on River Lodge in Llangollen, an Assembly Government owned property.

I can advise that currently my officials are still working with Powys Fadog to explore mechanisms by which the project can be delivered. All preliminary investigations and surveys of the site and building are now complete which will assist in identifying ways forward.

Ieuan

Ieuan Wyn Jones

Gweinidog dros yr Economi a Thrafnidiaeth
Minister for the Economy and Transport

Karen Sinclair

AM for Clwyd South

Mr Ieuan Wyn Jones AM
Deputy First Minister and Minister for Economic Development and Transport
Welsh Assembly Government
Cardiff Bay
CF99 1NA

22nd February 2008

Dear Ieuan,

In December 2005 the then WDA approved the acquisition of the River Lodge Hotel in Llangollen in my constituency and the subsequent lease of it to Powys Fadog Community Centre as a centre for health well-being, learning and development.

Despite talks with the owner stalling for a time in 2006 following an approach from a third party developer to acquire the site, I understand formal approval for the purchase deal was finally secured in December 2006 enabling Legal Services to prepare draft contracts for the acquisition of the property and the lease of the building following completion to Powys Fadog.

Powys Fadog was an established community group and they proposed to fully refurbish the building to provide a community facility including amongst other things, theatre and art workshops, health and well-being facilities and crèche club provision.

However, speculation recently within the community of Llangollen has led many to believe the former hotel site is instead now being re-developed into a rehabilitation facility. This is obviously a considerably different proposal to the previously agreed community centre.

Having been in contact with your department previously on this matter I would like to enquire what is the current status of the former River Lodge Hotel site and what, if any, plans are in place for its redevelopment.

In addition I would like to very strongly make the point that during this episode, the community in Llangollen has received very little information as to the future of the hotel and for what purpose it is being redeveloped. Whilst I am aware of the commercial sensitivities surrounding this matter, I feel the community has not been consulted to the extent that I would have expected, having to rely on rumour, gossip and second-hand updates. This situation is clearly inadequate.

I look forward to your early response on this issue.

Please address replies:

c/o Andrew Johnson, Room B302, National
Assembly for Wales, CARDIFF, CF99 1NA
☎ 029 2089 8724 Fax: 029 2089 8305
Textphone: 029 2089 8971
Email: Karen.Sinclair@wales.gov.uk

Constituency Office:

6 Oak Mews, Oak Street, Llangollen,
DENBIGHSHIRE, LL20 8RP
☎ 01978 869105
Fax: 01978 869464

Yours sincerely,

Karen Sinclair

KAREN SINCLAIR, AM
CLWYD SOUTH

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Ieuan Wyn Jones AC/AM
Dirprwy Brif Weinidog /Deputy First Minister



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Eich cyf/Your ref
Ein cyf/Our ref DFM/00351/08

Karen Sinclair AM
c/o Andrew Johnson
Room B302
National Assembly for Wales
Cardiff
CF99 1NA

09 April 2008

Dee Kae

Thank you for your letter of 22nd February 2008 regarding the former River Lodge Hotel in Llangollen.

I can advise that my officials are in receipt of a revised proposal from the Community Development Organisation Powys Fadog, which will form the basis to develop the property as a centre for health, well-being, learning and development. **The facilities planned within the building include a community café, nursery/crèche, meeting and training rooms as well as a larger space to accommodate community activities and events.**

Powys Fadog have worked closely with my officials as well as members of the local community and existing voluntary sector groups to ensure the facilities proposed within the centre meet the needs of all sections of the local community.

The way forward agreed with Powys Fadog is for it to acquire the building from the Welsh Assembly Government by way of either a long leasehold interest or the transfer of the freehold interest. The disposal will be subject to certain conditions and restrictions relating to its use, in order to ensure it remains available for the community uses which have now been agreed.

Should representatives of the community wish to discuss in more detail the proposed range of activities proposed for the building **my officials would be able to arrange for Powys Fadog to provide a further briefing** on their philosophy for the building and how they propose to continue to work with the local community.

Ieuan Wyn Jones
Gweinidog dros yr Economi a Thrafnidiaeth
Minister for the Economy and Transport

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KAREN SINCLAIR
AM for Clwyd South

25th June 2008

Ieuan Wyn Jones AM
Deputy First Minister
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

Your Ref. DFM/00351/08

Dear Ieuan

Re: River Lodge Hotel, Llangollen

You may remember that we corresponded in April regarding acquisition of this property by the Welsh Assembly and possible development of the property by Powys Fadog. At the time you did suggest that Powys Fadog would provide a briefing on the proposals and also that members of the local community and voluntary sector groups had been consulted.

I have recently been contacted by two local groups, [REDACTED] both saying they know nothing about the project and have certainly not been consulted on its use.

I would be grateful if you could let me know just who has been consulted by Powys Fadog within the local community. The only information my enquiries have revealed is that a short presentation to the Town Council regarding the organisation in general has been the only local contact.

As I'm sure you understand, in a small Town like Llangollen speculation is running rife as to the use this building may eventually be put and local organisations are concerned that they have not been consulted on their views regarding the sort of community facility needed.

I would suggest that a public meeting to introduce the organisation and to elicit the views of the community is vital before this project goes any further. I think it is essential that your officials and executive members of Powys Fadog attend this meeting.

In the meantime I would be grateful if you could let me have an update on the situation at the moment. I have tried on several occasions to confirm that the

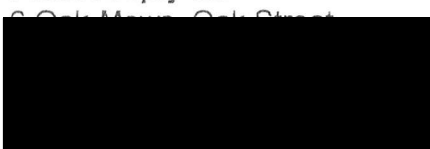
building itself has changed ownership (on behalf of a constituent) but have not received any concrete information.

I look forward to hearing from you.

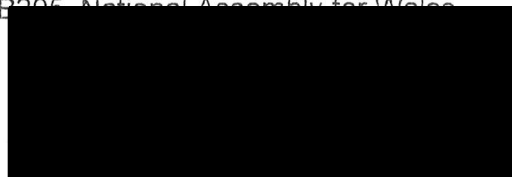
Yours sincerely

Karen Sinclair
Karen Sinclair
AM Clwyd South

Please reply to:



B205 - National Assembly for Wales



Ieuan Wyn Jones AC/AM
Dirprwy Brif Weinidog /Deputy First Minister

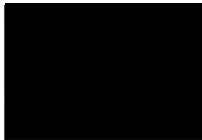
19 JUL 2008



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Eich cyf/Your ref
Ein cyf/Our ref DFM/01273/08

Karen Sinclair AM



15 July 2008

Dear Karen

Thank you for your letter of 25th June regarding River Lodge Hotel, Llangollen.

I'm sorry that your constituents remain concerned about the future of River Lodge. You referred to my letter to you of 9th April, in which I offered to arrange for Powys Fadog to provide a further briefing on their philosophy for the building and how they propose to continue to work with the local community, should representatives of the community wish to receive such a briefing. I have now instructed my officials to proceed with those arrangements by way of providing you with a copy of Powys Fadog's recently completed Business Plan. You should receive a copy of the Business Plan shortly.

I hope this action will alleviate any remaining concerns.

Ieuan
Jones

Ieuan Wyn Jones
Gweinidog dros yr Economi a Thrafnidiaeth
Minister for the Economy and Transport

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KAREN SINCLAIR
AM for Clwyd South

30th September 2008

Ieuan Wyn Jones AM
Minister for Economy and Transport
Cardiff Bay
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CF99 1NA

Dear Ieuan

Re: River Lodge Hotel, Llangollen

You may remember that you wrote to me in July regarding proposals for this development. In your letter you stated that you would instruct your officials to provide a copy of Powys Fadog's Business Plan. Can you tell me if this plan has been completed and if so let me have a copy please.

Yours sincerely

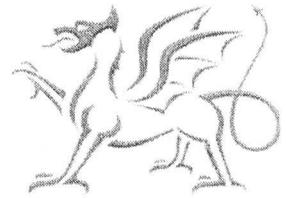
Karen Sinclair
AM Clwyd South

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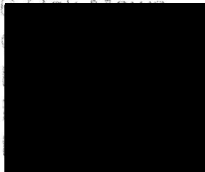
Ieuan Wyn Jones AC/AM
Dirprwy Brif Weinidog /Deputy First Minister



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Eich cyf/Your ref
Ein cyf/Our ref DFM/01857/08

Karen Sinclair AM



20 October 2008

Dear Karen

Thank you for your letter of 30th September enquiring about the Business Plan for River Lodge, Llangollen.

My officials have been waiting for an up-to-date Business Plan, which they have now received. A copy of the Executive Summary of the Plan is now enclosed.

Ieuan

Jones

Ieuan Wyn Jones
Gweinidog dros yr Economi a Thrafnidiaeth
Minister for the Economy and Transport

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EXECUTIVE SUMMARY

The Powys Fadog Community Development Centre (Powys Fadog) will be a resource for the whole community. It will be a centre of health and healing, of learning, a sanctuary and retreat, and a focal point for different groups from within the community, particularly young people, elderly people and parents with toddlers. Powys Fadog will be run as a sustainable social enterprise, in line with the Welsh Assembly Government "One Wales" Agenda, with particular emphasis on the Welsh Language. Income will be generated by running a Community, Welsh Language and Environmental Learning Centre offering catered residential accommodation, centred within educational tourism and drawing on our wealth of local history and culture. These business activities will fund and subsidise facilities and activities for the local community.

Powys Fadog has been set up by a group of like minded people from different backgrounds, age, sex and experience bonded by a common vision and strong sense of camaraderie who together over the last ten years have helped to establish the **Chen Loong school**. Their intention is to nurture and strengthen our community and environment: The centre's main objective is to enable all members of the community to have the opportunity to achieve their full potential, in particular children and young people from disadvantaged backgrounds.

The centre aims through experiential learning to achieve the following:

Personal Development

- foster self-improvement, mental calm and personal development by promoting health, physical fitness and positive social interaction in a courteous and supportive atmosphere.
- develop self discipline and ethical, behaviour amongst all who use its facilities
- inspire people to lead exemplary lives as leaders of their communities.

We aim to achieve these personal development objectives by employing the wealth of knowledge within Shaolin Martial Arts and by providing a relaxed and friendly atmosphere.

Community Development

- reduce crime and anti-social behaviour in Llangollen and surrounding areas.
- promote a sense of pride in our Welsh heritage and history, language environment and culture thereby building confidence and cohesion within our community.

We aim to achieve our community development objectives by providing a full time centre with an inclusive, friendly and diverse atmosphere; by making available facilities for various community activities and events and by promoting activities which foster community cohesion, inclusiveness and cultural identity (for example, formation of a choir) We will also support individuals within the community by providing educational opportunities, particularly in the Welsh Language, as well as computer courses, business start up courses and such like.

Facilities and services will initially include a **community café** and transport for elderly and incapacitated from outlying districts will be introduced as part of Phase II by the end of 2010 The atmosphere and culture will be a friendly Welsh environment with spoken Welsh.

There will be training for employment provided through our business interests which will embrace catering, communication and environmental awareness. Cultural activities will include story telling, choirs etc. and lessons in Welsh culture and language will have a very high profile. Community activities will include arts and crafts, painting, basket weaving, guitar playing, lessons, noson llawen, twmpath and health advice for all ages. This will be

achieved through nurturing an open and inclusive atmosphere promoting equality and diversity and opportunities for all.

Powys Fadog will become a World renowned centre of excellence while satisfying an essential community need in today's turbulent society focused on genuine sustainability.

- Health and well being including meditation and relaxation
- Personal development and training
- Self defence classes
- Remedial and behavioural therapy courses
- Children's clubs and crèche facilities
- Environmental action
- Young peoples' programmes and activities
- Welsh Language courses
- Theatre and arts workshops

To add value to the existing tourism offer within the Dee Valley, the Centre will also provide a range of these courses on a residential basis to attract visitors to the area who might not otherwise consider North Wales as a location for such learning opportunities.

KAREN SINCLAIR
AM for Clwyd South

29th October 2008

Ieuan Wyn Jones AM
Minister for the Economy and Transport
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

Dear Ieuan

Re: Powys Fadog Community Development Centre

Thank you for your letter of 20th October including an Executive Summary of the Business Plan for this project.

I must insist that you send me a full copy of the Plan – including costings. I have been approached by many individuals and several local groups regarding this development and I am certain that should I send them a copy of the summary they will not be satisfied with the information.

Whilst the aims and policies of Pont Fadog appear laudable some of the statements within the summary seem generalised and somewhat esoteric. For example: the aim "to reduce crime and anti-social behaviour in Llangollen and surrounding areas". Where is the evidence of that this is a particular problem here and exactly how, in practical terms will this be achieved? Also the provision of: "training for employment provided through our business interests". Are these "interests" local businesses? How will the training be financed? How will people qualify?

I, and many of my constituents, remain very concerned that this project is not sufficiently costed and researched and that the local community has not been consulted properly. Local people will need a lot more solid information and involvement before being able to support this project. I understand that the site itself may have commercial potential but if it has been purchased by the Welsh Assembly Government then its use must be held to scrutiny by our electorate.

Yours sincerely

Karen Sinclair
AM Clwyd South

Please reply to:

201, Main, Oak Street

B205, National Assembly for Wales,
Cardiff Bay, CARDIFF, CF99 1NA

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Fax: (029) 2089 8305

Ieuan Wyn Jones AC/AM
Dirprwy Brif Weinidog /Deputy First Minister

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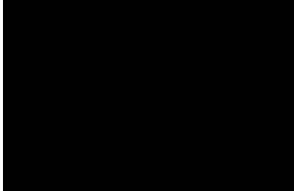


Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Eich cyf/Your ref
Ein cyf/Our ref DFM/02080/08

Karen Sinclair AM

C. C. M. M.



14 November 2008

Dea Karen

Thank you for your further letter of 29th October regarding River Lodge, Llangollen in which you request a full copy of Powys Fadog's Business Plan, including costings, for their proposed Community Development Centre.

I am advised by my Officials that much of the full business plan contains commercially sensitive information about the proposed project. They have also checked with Powys Fadog direct who have stated that they would not be prepared to allow the full plan to be released. However, Pol Wong, the spokesperson for Powys Fadog, is happy to meet with you to discuss your concerns and answer your questions on the business plan. I believe he will be contacting you directly.

Ieuan

Ieuan Wyn Jones
Gweinidog dros yr Economi a Thrafnidiaeth
Minister for the Economy and Transport

BRIEFING BY [REDACTED] DENIES TO ME - SENT ON REQUEST BY ME.

River Lodge, Llangollen (Former Woodlands Hotel)

- **26.06.08** - Application submitted for '*Erection of 2m high rendered concrete block boundary/screen wall and gates, construction of new vehicular and pedestrian accesses, formation of new car parking area and lighting and erection of new canopy to front entrance*'. (03/2008/0756/PF). Found to be invalid, as insufficient information submitted.
- **20.08.08** - Complaint received about a static caravan being stored in the rear car park. Planning history revealed an application had been submitted
- **10.11.08** - Site visit. Observed gas bottle hooked up to caravan suggesting possible residential use. No answer when knocked.
- **01.12.08** - Land Registry Search revealed owner of site to be WAG (purchased 7 March 2007 for £1.6 million).
- **09.12.08** - Received information that the site was being leased by WAG to a Mr Pol Wong.
- **11.12.08** - Wrote to Mr Wong asking him if he leased the property from WAG and if so, could he advise who was responsible for the caravan as its storage constituted a breach of planning controls.
- **17.12.08** - Mr Wong called me and I explained that the storage of the caravan was unauthorised and required planning permission. I went on to explain that if an application were to be submitted, in my opinion it would not receive Officer support. I told him that it needed to be removed from the site. He said that it was needed for contractors to stay in. I explained that it would be difficult to justify the retention of the caravan, even on a temporary basis, in connection with the works envisaged in the above application (which had not at this stage been determined in any case). He was totally uncooperative and steadfastly refused to tell me what exactly his interest was in the property.
- **19.12.08** - The Planning Officer with conduct of determining application 03/2008/0756 contacted the Agent who had submitted the application on behalf of Powys Fadog (a Mr [REDACTED]). More information was required in order to validate the application. He informed her that he had spoken to the 'Powys Fadog Group' and would be forwarding their proposals in due course. The same day I wrote to Mr George and asked him to "clarify the involvement of Mr Wong and Powys Fadog Community Development Centre in the River Lodge site and confirm ownership of the caravan".
- **20.01.09** - Amanda Brewer from WAG came to our Caledfryn office to meet with the Planning Case Officer to discuss application 03/2008/0756. I joined the meeting. AB explained that she was a WAG Officer, but was speaking in her capacity as a representative of Powys Fadog, which was a community social enterprise. She said they were in talks with WAG to lease River Lodge for their proposed centre. I had been advised by this stage that we as a Local Authority could not take enforcement action against WAG. I therefore saw this as my opportunity to see if I could get the caravan moved voluntarily. I informed her that I had tried to explain to Pol Wong that the caravan constituted a breach of planning control and must be removed. She said Powys Fadog had been offered the caravan cheap & they thought it might be useful. I reiterated what I had said to Mr Wong & emphasised the caravan must be removed from the site. She said that she would discuss the issue with Mr Wong and [REDACTED] and get back to me. I did not hear from her again. The Planning Officer & I both agreed following the meeting, that there was a potential conflict of interest in this situation, with AB working for WAG.
- **3.02.09** - Outstanding information supplied and Application 03/2008/0756 was validated.
- **12.2.09** - Contacted WAG to discuss the problem of the unauthorised caravan on WAG land. I was told that 'operational properties' in North Wales were dealt with by [REDACTED] at their St Asaph office (01745 586229). I left a voicemail message requesting he contact me about the River Lodge site. He called me the same day and when asked, told me that he had given Mr Wong a verbal agreement to its siting, but accepted that WAG as the Freeholder had responsibility to ensure no planning controls were breached and therefore

was responsible for ensuring that it was removed voluntarily. He said he would contact me when he'd arranged it.

- **18.3.09** – Planning permission granted for 03/2008/0756. The Planning Officer included a pre-commencement condition number 12 which required '*The static caravan currently located at the site shall be removed prior to the commencement of the development hereby permitted*'.
 - **08.07.09** – After several calls to WAG when I was unable to speak to [REDACTED] I finally got through to him. He said that Powys Fadog had shown him the Permission for the boundary works and they'd taken the condition to mean that it could remain. I explained that the condition did not 'allow' the caravan to remain, but had been put in to ensure that it was removed before any works were carried out i.e. to ensure it did not remain for use by Contractors. I re-iterated that WAG as the freeholder was responsible for removing the caravan. He assured me that he would telephone Powys Fadog & explain that they had misinterpreted the condition and would need to move the caravan. He said that he would call me to let me know their response. Despite making several calls since, I have been unable to speak to Martin Williams again and he has never contacted me. As we cannot take action against WAG, the caravan remains in situ, unauthorised & in breach of planning legislation.
-

KAREN SINCLAIR AM
CLWYD SOUTH

21st July 2009

Cynulliad National
Llewyddafnor Assembly for
Cymru Wales

Rhodri Morgan AM
First Minister
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

Dear Rhodri,

Re: River Lodge, Llangollen

I write this letter in utter frustration as every avenue I have explored to date has failed to stop, or at least fully explain, the propriety of this scheme by Powys Fadog in my constituency - indeed in my home town.

As far back as March 2007 I raised the plans being formulated for the purchase of River Lodge in Llangollen by WAG. Powys Fadog presents itself as an established community group with representatives drawn from a wide section of the local community, though which "local community" it represents I have yet to establish, as it certainly is not known by local representatives in Llangollen. The Town Council and other long established members of the local community have raised questions regarding the project only to be given minimal information, citing "commercial sensitivities" as an excuse. The only people who seem to know anything are the [REDACTED] on Denbighshire Council and the local Plaid agent. It is worth noting at this point that Llangollen is a dual member ward [REDACTED]

[REDACTED]
AM for clarification.

In 2007 I received a briefing from Andrew Davies' special adviser which gave a brief outline of the plans and some details of who is

involved in the project. Powys Fadog is chaired by an Amanda Brewer who works for WAG as Senior Land Manager in the North Division. I stated at the time that buying this site in order to lease or sell it on to a member of staff was in my opinion questionable practice. I was told that as long as she registered her interest then all was well. I still have my doubts as to whether this is acceptable practice.

Over the past 2 years I have periodically raised questions regarding the appropriateness of this project. When I asked at one point for a business plan I was given a very sparse executive summary – copy of which I enclose for your information, along with my response. Please note that Powys Fadog's continual assertion that they will be a resource for the whole community masks the reality of this group not once keying into the uses of other community buildings in the town or indeed explaining how this scheme will add value to existing facilities. The Town Council manage the town hall as a community facility and have not been approached, neither have Denbighshire County Council who manage the International Eisteddfod building and the local Youth Club building. None of these buildings need competition for community use. There is a huge emphasis on the use of the Welsh language in community services that will be offered (see enclosed Executive Summary) but I am not sure that the level of Welsh spoken in Llangollen indicates the need for such a service exclusively through the medium of Welsh.

Recently more things have happened to increase my anxiety about the financing of such a venture and indicate the lack of local involvement by a group of people who are largely not local to the Llangollen community. I enclose a press cutting which reports on a visit by Alun Ffred Jones to the site. Interestingly, although I was informed he would be in my constituency, the only local representatives present were [REDACTED] from Wrexham (what on earth was the rationale for inviting Wrexham Councillors?). Yet again the other local County Councillor was excluded and interestingly the local Town Council were like- wise ignored. I actually think such a visit breached the ministerial code but I held back from formally complaining about this at the time, though I did raise it informally with Jeff and Lawrence.

I was telephoned today by someone who had been party to the receipt of a bid for funding from Powys Fadog, the bid came from the work email address of Amanda Brewer which as you know is

our @wales.gov.gsi email address. Is this acceptable? Surely it is tantamount to WAG applying for such funding! Please bear in mind that Powys Fadog is a registered company.

Quite honestly I am at the end of my patience regarding this venture and the lack of transparency from the start. I suggest that the auditor should be asked to look at what has gone on here.

redacted.

I would be grateful for your comments and for independent scrutiny of all circumstances, past and present, surrounding this project.

Yours sincerely

Karen Sinclair

Karen Sinclair
AM Clwyd South

Please reply to:
6 Oak Mews Oak Street
Llangollen, DENBS, LL20 8RP
☎ (01978) 869105
Fax: (01978) 869058

B205, National Assembly for Wales,
Cardiff Bay, CARDIFF, CF99 1NA

☎ (029) 2089 8304
Fax: (029) 2089 8305

**FW: Woodlands - Llangollen**

Karen Sinclair [redacted]
To: Karen.sinclairam@googlemail.com

Sat, Oct 6, 2012 at 5:09 PM

From: [redacted]
Sent: 07 May 2010 10:18
To: Karen Sinclair
Subject: Woodlands - Llangollen

Hi Karen

I hope you are well. Are you able to shed any light on what is happening with the Woodlands? I understand that the current project with Powys Fadog may be on hold but I was hoping that you might have further information. Local Plaid Councillors/members seem to be getting information but keeping their cards very close to their chests! The Woodlands is an issue that residents raise quite regularly (no doubt with you to) and there is a lot of concern about its future.

Regards

[redacted]

Mae'r wybodaeth a gynhwysir yn yr e-bost hwn ac unrhyw ffeiliau a drosglwyddir gydag o wedi eu bwriadu yn unig ar gyfer pwy bynnag y cyfeirir ef ato neu atynt. Os ydych wedi derbyn yr e-bost hwn drwy gamgymeriad, hysbyswch yr anfonwr ar unwaith os gwelwch yn dda.

Mae cynnwys yr e-bost yn cynrychioli barn yr unigolyn(ion) a enwir uchod ac nid yw o angenrheidrwydd yn cynrychioli barn Cyngor Sir Ddinbych. Serch hynny, fel Corff Cyhoeddus, efallai y bydd angen i Gyngor Sir Ddinbych ddatgelu'r e-bost hwn [neu unrhyw ymateb iddo] dan ddarpariaethau deddfwriaethol.

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From: "Andrew Sinclair" <andrewsinclair@quodiam.com>

FW: River Lodge - Llangollen

Sat, Oct 6, 2012 at 5:04 PM

From: [REDACTED]

Sent: 14 May 2009 16:50

To: Correspondence.Andrew.Davies@wales.gsi.gov.uk

Cc: [REDACTED]

Subject: River Lodge - Llangollen

Dear Andrew

I am writing to express my concern about the involvement and lack of transparency on the part of the Welsh Assembly Government with regard to River Lodge, Llangollen and a mysterious organisation called the Powys Fadog Community Development Centre. The Welsh Assembly Government purchased River Lodge for £1.6million. River Lodge is a site of strategic importance in Llangollen in that it sits at the entrance to the Town and is a large and dilapidated building which does nothing to enhance the visitors impression to our Town. As a Town we struggle with issues of lack of development land due to our valley location and yet here is site which could have been put to very good use being handed over to some mysterious organisation for questionable purposes. I use the word mysterious because an internet search reveals nothing about Powys Fadog; is it a legal entity with a proper constitution?

As a Town we are trying to develop a coherent Town Plan which addresses tourism, local community, young people and we are doing this in partnership. The plans that the Powys Fadog has for River Lodge are not inappropriate and could jeopardise ongoing plans that we have as a community to revitalise the Llangollen International Pavilion. The sort of thing that Pont Fadog is proposing to do at the centre is already provided elsewhere in the Town. There has been no local consultation and local people have started to develop their own theories on the circumstances.


I am also concerned that a recent planning application that was submitted was only for minor works to the building, whilst the building requires complete refurbishment and the corresponding investment. Does Powys Fadog have such means of investment?

I would also like to express my concern that a recent event held in Llangollen at River Lodge which was attended by Alun Ffred Jones, only local Plaid Cymru County Councillors were invited to attend. What exactly is the political persuasion of Powys Fadog and where there political reasons behind the purchase of the site.

I have taken the opportunity to share my concerns with our local AM Karen Sinclair and she has indicated to me that she shares my concerns.

I look forward to hearing from you on this matter.

Kind regards



Mae'r wybodaeth a gynhwysir yn yr e-bost hwn ac unrhyw ffeiliau a drosglwyddir gydag o wedi eu bwriadu yn unig ar gyfer pwy bynnag y cyfeirir ef ato neu atynt. Os ydych wedi derbyn yr e-bost hwn drwy gamgymeriad, hysbyswch yr anfonwr ar unwaith os gwelwch yn dda.

Mae cynnwys yr e-bost yn cynrychioli barn yr unigolyn(ion) a enwir uchod ac nid yw o angenrheidrwydd yn cynrychioli barn Cyngor Sir Ddinbych. Serch hynny, fel Corff Cyhoeddus, efallai y bydd angen i Gyngor Sir Ddinbych ddatgelu'r e-bost hwn [neu unrhyw ymateb iddo] dan ddarpariaethau deddfwriaethol.

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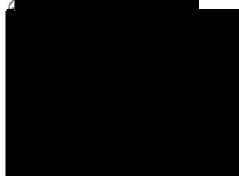
Y Gwir Anrh/Rt Hon Rhodri Morgan AC/AM
Prif Weinidog Cymru/First Minister for Wales



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Ein cyf/Our ref: FM/05450/09

Karen Sinclair AM



24 August 2009

Dear Karen

I write in reply to your letter of 21st July concerning River Lodge, Llangollen. Thank you for providing copies of your previous correspondence with the Deputy First Minister and other documents. I am sorry to hear of your continued frustrations regarding this project.

① The current position is that the Assembly Government has entered into a contractual "Agreement for Lease" under which Powys Fadog would be granted a lease of the River Lodge property at an independently assessed market rent, subject to a requirement that Powys Fadog undertake defined remedial and improvement works to bring the property back into a good state of repair. The estimated cost of these works is £510,000. A pre-condition to the lease being granted is that Powys Fadog is required to demonstrate that it has funding in place to cover the full cost of the works, with a time limit of 12 months for this condition to be satisfied, expiring on the 29th April 2010. At this time Powys Fadog has not been successful in its application to WEFO. It is understood the group is currently in the process of seeking alternative funding in order to realise the project.

② On the point you make about the part played by an Assembly Government official, Mrs Brewer, a Director and the Company Secretary of Powys Fadog, I am told that her interest in Powys Fadog has been properly declared and recorded in the files. Consequently processes were put in place to ensure that a different official undertook the negotiations for the Agreement for Lease and that Mrs Brewer took no part in the decision-making, which rested with the [redacted] and the Regional Director.

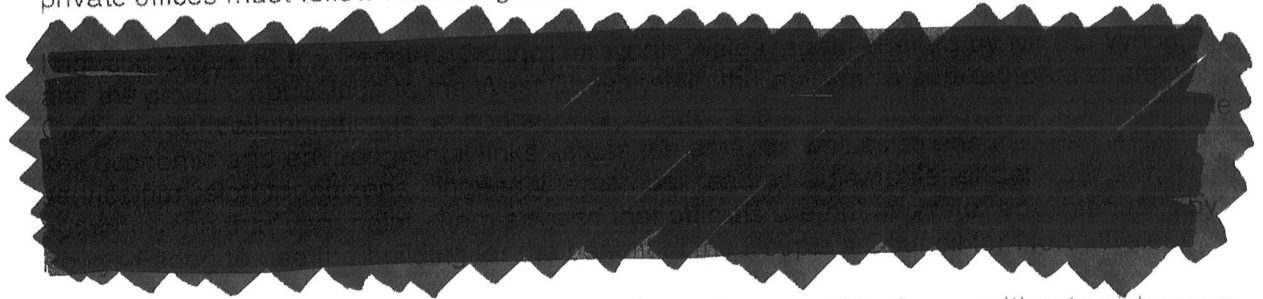
③ You raised concerns about the appropriateness of the use of an Assembly Government e-mail address. This is not a matter for Ministers but if there has been a breach of the employment regulations appropriate action will be taken.

④ On your concerns regarding the recent visit by the Minister for Heritage to the site, [redacted] recently wrote to him expressing disappointment at the lack of progress with the project and wished to discuss with the Minister the potential tourism benefits which could be brought about by the proposed centre. It is for this reason that the Minister visited Llangollen.

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CF99 1NA

English Enquiry Line 0845 010 3300
Llinell Ymholiadau Cymraeg 0845 010 4400
Ffacs * Fax 029 2089 8198
rhodri.morgan@wales.gsi.gov.uk

You should, of course, have been made aware of the arrangements for that visit, as the local Assembly Member, and my office has taken steps to reinforce the guidance which private offices must follow in this regard.



Thank you for writing to me on this matter. Obviously, you will be in a position to pick up on local information and perspectives which are not always available to officials. Do please write to me again, therefore, if the picture continues to develop in a way which you believe will not lead to the mutual benefit and satisfaction of Llangollen residents.

Yours
Rhodri

KAREN SINCLAIR
AM for Clwyd South

21 Sept 09

Rhodri Morgan AM
First Minister
National Assembly for Wales
Cardiff Bay
Cardiff CF99 1NA

Dear Rhodri,

Thank you for your letter of 24th August regarding The Woodlands, Llangollen. Sadly your response does not go even part way to addressing my concerns regarding the purchase and subsequent potential leasing by WAG to Powys Fadog.

I am therefore requesting a comprehensive review of the full history of WAG's involvement with the site from the beginning to the present. ①

Firstly I want to know exactly when The Woodlands was purchased by WAG and for what purpose? Who approached who about the said purchase? What was the chair of Powys Fadog's (Amanda Brewer) involvement at this point? ②

If the purchase was purely because The Woodlands was recognised as a strategic site at the entrance to Llangollen on the A539 what work was then (or previously) done to identify a use for the site and could you provide me with a copy of any reports regarding such a process and whether it was marketed? Sight of any tendering process would also be appreciated. It has to be said at this point that The Woodlands has no architectural merit. The site however is quite sizeable and could well be extremely useful for community use, not least as a site for a new doctors' surgery. The Health Trust have been searching for a suitable site for quite some time and I am sure they would have given serious consideration to leasing the site from us for such a project had they known the site was available. I am also concerned that although Powys Fadog professes to have consulted the community regarding the type of activities they, the community, wanted on the site; there was no community consultation prior to the purchase of the property by WAG. As the Assembly Member I should have been made aware of the proposed purchase and involved in plans for the site. ③

If The Woodlands was bought at the behest of Powys Fadog was this appropriate and are there any other examples of WAG purchasing similar sites for other registered companies? If so please provide examples. ④

You state in your letter that Ms Brewer played no part in the negotiations for the agreement of the lease but I refer you back to my earlier question regarding the original purpose of the purchase of The Woodlands. It is worth ⑤

recording at this point that Ms Brewer is the senior land purchaser for WAG in North Wales and that the official involved in the drawing up of the lease, was her line manager, who is North Wales Head of Infrastructure and Regional Director.

Moving on to my point about Ms Brewer using her work e- mail address to apply for grant aid; you stated that this was not a matter for ministerial intervention, but a staffing matter. [REDACTED]

using a work e- mail for such a [REDACTED]

I trust that a comprehensive review of the propriety of this matter in its totality will now be undertaken with urgency and that I can avoid taking this to our auditors.

Yours sincerely

Karen Sinclair
AM Clwyd South

Please reply to:
6 Oak Mews, Oak Street
[REDACTED]

B205, National Assembly for Wales,
Cardiff Bay, CARDIFF, CF99 1NA

☎ (029) 2089 8304
Fax: (029) 2089 8305

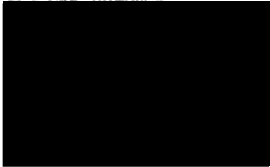
Y Gwir Anrh/Rt Hon Rhodri Morgan AC/AM
Prif Weinidog Cymru/First Minister for Wales



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Ein cyf/Our ref FM/05828/09

Karen Sinclair AM
6 Oak Mews



23rd October 2009

Dear Karen

I write in response to your further letter of 21st September concerning River Lodge, Llangollen. I'm sorry that my previous response of 24th August did not fully answer your concerns.

In light of this, we are currently looking further into the matter but this is taking a little longer than expected. I will write to you again once I have full information to hand.

Yours

Rhodri

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Carwyn Jones AC/AM
Prif Weinidog Cymru/First Minister for Wales



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Our Ref/Ein Cyf – FM/05828/09

Karen Sinclair AM
6 Oak Mews



21st December 2009

Dear Karen

I am writing in response to the letter of 23rd October sent by Rhodri Morgan AM regarding River Lodge, Llangollen in which he promised to write to you once there was further full information to hand.

Officials are finalising a full internal investigation into this matter, the complexity of the history of which has caused some delay in preparing the full report. It is expected this report will be concluded early in the New Year, after which I will ensure you are provided with a full response to your earlier letter of 21st September.

Carwyn Jones
Cy
CARWYN JONES

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

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ps.firstminister@wales.gsi.gov.uk

KAREN SINCLAIR
AM for Clwyd South

21st January 2010

Jeremy Colman
Auditor General for Wales
24 Cathedral Road
Cardiff CF11 9LJ

Dear Mr Colman,

I write to you in the hope that you may be able to clarify some issues on behalf of my constituents but am aware that the clarification I seek may not be within your remit.

I have for some time endeavoured to obtain information relating to a proposed project in my constituency which involves the purchasing of a site by the National Assembly Government and the subsequent leasing to a local organisation. I have enclosed copies of correspondence to illustrate the difficulties I have come across in trying to get clear information to pass on to my constituents.

As you can see I have written to the Deputy First Minister, the previous First Minister and to his recent successor but still consider the matter to be far from resolved. Information has been less than forthcoming and I cannot reconcile the purchasing of the building by a WAG officer on behalf of a group of which she is a Director.

I am very concerned that without clear information the background and ongoing work on this proposed project cannot, as far as I can ascertain, deliver accountable, well managed public services.

I would be grateful for your comments on the issue and your opinion as to how I can take this forward, either under the auspices of your office or another independent body. I am accountable to my constituents and feel they are owed an open and transparent account of the use of public money.

I look forward to hearing from you.

Yours sincerely



Karen Sinclair
AM Clwyd South

Please reply to:

6 Cathedral Road
Cardiff CF11 9LJ

B205, National Assembly for Wales,
Cardiff Bay, CARDIFF, CF99 1NA

☎ (029) 2089 8304
Fax: (029) 2089 8305



WALES AUDIT OFFICE
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Wales Audit Office / Swyddfa Archwilio Cymru

Date: **26th January 2010**
Our ref: **JC/0993/fgb**
Your ref:
Pages: **1 of 1**

24 Cathedral Road / Heol y Gadeirlan
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CF11 9LJ
Tel / Ffôn: 029 20 320510
Fax / Ffacs: 029 20 320555
www.wao.gov.uk

Email / Epost: jeremy.colman@wao.gov.uk

Ms Karen Sinclair
AM for Clwyd South
Room 205, National Assembly for Wales
Cardiff Bay
Cardiff CF99 1NA

Dear Ms Sinclair

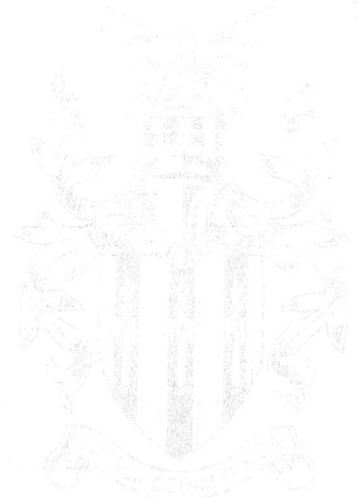
I acknowledge receipt of your letter, of 21st January 2010, to Jeremy Colman, the Auditor General for Wales.

We will be in touch with you again, once we have had the opportunity to consider the issues you raise.

Yours sincerely

[REDACTED]
[REDACTED]

**PA TO JEREMY COLMAN
AUDITOR GENERAL FOR WALES**



Johnson, Andrew (AMSS Karen Sinclair)

From: [REDACTED]
Sent: 27 January 2010 12:11
To: Sinclair, Karen (Assembly Member)
Subject: Query

Hi Karen

Further to our recent conversation, my contact details are as follows:

[REDACTED]
WAO Client Manager
[REDACTED]

As discussed, I am the WAO Client Manager for the Financial Audit of the Welsh Assembly Government and I will look through the information that you sent through and contact you over the next few days regarding the next steps.

If you have any queries in the meantime please do not hesitate to contact me.

Regards
[REDACTED]

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Karen Sinclair

AM for Clwyd South

Mrs Edwina Hart AM and Mrs Jane Hutt AM
Minister for Health and Social Services; Minister for Business and Budget
Welsh Assembly Government
Cardiff Bay
CARDIFF
CF99 1NA

3rd March 2010

Dear Edwina and Jane,

I hope you will excuse me for writing to you both as I am unsure which Minister it would be best to approach in the first instance on this issue. I hope that as I explain the purpose of this letter you will understand the reason for my approaching you both.

As you will both be aware, for many years now I have been involved with local stakeholders in Llangollen exploring the possibilities for a new health centre in the town. Not only is the current practice surgery in need of serious upgrading, the community hospital is also beyond remediation on its present site.

Some four years ago our North Wales Economic Development office purchased The Woodlands Hotel, which sits on the Wrexham Road entrance to Llangollen, with a view to leasing the building to a local group called 'Powys Fadog'. This group have to date been unable to draw down funding for their planned use of the building and I am not surprised by this failure as the plans are of no value to the local area and have failed to gain any local support. Indeed I have been approached by many concerned residents as well as by a local County Councillor and Town Council, none of whom have welcomed the planned use

Having met with our local GP's recently we of the opinion that the Woodlands site is one of the last possible suitable sites within the town for a new health centre. In the past both the local GP's and Local Health Board had dismissed the possibility as purchasing such a site from a private owner would have been prohibitively expensive. However now that the site sits within the portfolio of the Welsh Assembly Government, it seems to me we now have an opportunity to use the location for a much needed new community health facility.

I would very much appreciate your thoughts on how to take forward this issue and explore the possibility of using the Woodlands facility for a local health centre in Llangollen. I look forward to your prompt reply.

Yours sincerely,



KAREN SINCLAIR, AM
CLWYD SOUTH

Please address replies to:
Room B302, National Assembly for Wales, CARDIFF, CF99 1NA
☎ 029 2089 8724 Fax: 029 2089 8305
Email: Karen.Sinclair@wales.gov.uk

Johnson, Andrew (AMSS Karen Sinclair)

From: Geoff Lang (Betsi Cadwaladr University Health Board - Corporate Office) [Geoff.Lang@wales.nhs.uk]
Sent: 14 March 2010 17:04
To: Sinclair, Karen (Assembly Member)
Subject: RE:

Dear Karen,
Thanks. I will follow up the connection with Paul Williams.

I will ring you to discuss
geoff

From: Sinclair, Karen (Assembly Member) [mailto:Karen.Sinclair@Wales.gov.uk]
Sent: 08 March 2010 16:44
To: Geoff Lang (Betsi Cadwaladr University Health Board - Corporate Office)
Subject:

[REDACTED] I had a chat with Jane Hutt regarding the best people to approach about the Woodlands site at an officer level and she sort of suggested that [REDACTED] could be the man. Might I suggest that you contact him and tell him that I have told you that the site is in the ownership of WAG and that you are interested in the site. Also I could do with a chat about the hospital at some point. Can you ring me about both things [REDACTED] most of the time. Regards Karen

Karen Sinclair AM

Tel: 029 2089 8724
Fax 2089 8305
Text phone: 029 2089 8971

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Bwrdd Iechyd Prifysgol Betsi Cadwaladr yw enw gweithredol B wrdd Iechyd Lleol Prifysgol Betsi Cadwaladr.
Betsi Cadwaladr University Health Board is the operational name of Betsi Cadwaladr University Local Health Board

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Edwina Hart MBE OStJ AM

Y Gweinidog dros Iechyd a Gwasanaethau Cymdeithasol
Minister for Health and Social Services

Our ref: EH/00820/10

Your ref:



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Karen Sinclair AM
National Assembly for Wales
Ty Hywel
Cardiff Bay
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Karen.sinclair@wales.gov.uk

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English Enquiry Line: 0845 010 3300
Fax: 029 2089 8131
E-Mail: Correspondence.Edwina.Hart@Wales.gsi.gov.uk

17 March 2010

Dear Karen

Thank you for your letter of 3 March 2010 about using the former Woodlands Hotel as a local health centre in Llangollen.

Officials have spoken to Betsi Cadwalladr University Health Board. They are best placed to look into your proposal and I am copying this correspondence to [REDACTED] [REDACTED] Board for his consideration.

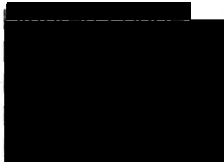
cc: Geoff Lang, Director of Primary, Community & Mental Health Services
Betsi Cadwaladr University Health Board

Gareth Hall,
Cyfarwyddwr Cyffredinol/Director General
Adran yr Economi a Thrafnidiaeth
Department for the Economy & Transport



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Karen Sinclair AM



14 April 2010

Dear Mr. Sinclair,

River Lodge, Llangollen

You have written to Ministers on a number of occasions on the subject of River Lodge, Llangollen. You will be aware that I raised concerns with the Permanent Secretary who, as Principal Accounting Officer, instigated an internal audit review in relation to the acquisition and subsequent proposals for disposal of the site. We have now received interim conclusions and a number of recommendations which require further investigation.

Whilst I am not in a position to elaborate on most of these conclusions and recommendations until this further work is concluded, I can confirm that there is a recommendation that decisions in relation to the future use of the property should follow a full options appraisal of the future use of the site. I have been requested by the Permanent Secretary to initiate this options appraisal which will include consideration of the proposed transfer of the agreement for lease and associated funding application most recently put forward by Clwyd Alyn Housing Association and Powys Fadog.

As this work is taken forward I will ensure that we keep you in touch with developments regarding the use of the site.

Gareth Hall
Gareth Hall
GARETH HALL

Parc Cathays
Caerdydd
CF10 3NQ

Cathays Park
Cardiff
CF10 3NQ

Ffôn • Tel: 029 2082 6646
Ffacs • Fax: 029 20823435

Ebost • Email: Gareth.Hall@wales.gsi.gov.uk



BUDDSODDWR MEWN FOBL
INVESTOR IN PEOPLE

Dame Gill Morgan DBE
Ysgrifennydd Parhaol • Permanent Secretary



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Karen Sinclair AM



28 July 2010

Dear Karen

River Lodge, Llangollen

We spoke earlier this week about River Lodge and I promised to write to you setting out my position.

Following acquisition of the property various discussions have been undertaken about its subsequent disposal. These discussions were being led by Welsh Assembly Government Officials in North Wales. However when I became aware of the prospective terms of disposal I had certain reservations. Reflecting these (and my position as Principal Accounting Officer) I instigated an internal audit review in relation to the acquisition and subsequent proposals for disposal of the site. We have now received interim conclusions and a number of recommendations which required further investigation.

Whilst I am not in a position to elaborate on most of these conclusions and recommendations until this further work is concluded, I can confirm that there is a recommendation that existing plans for the property have not been addressed with significant rigour and that a full options appraisal is needed on the future use of the site. I have initiated this appraisal. As I said when we spoke I am quite happy for the appraisal to include the proposals advanced by Powys Fadog. But, at the end of the day we have a duty to find the right answers for the site and one which represents sound value for money. Consequently I want us to consider all possible options.

As this work is taken forward I will keep you in touch with developments.

Yours Sincerely

GILL MORGAN



BUDDSODDWR MEWN POBL
INVESTOR IN PEOPLE

Parc Cathays • Cathays Park
Caerdydd • Cardiff
CF10 3NQ

Ffôn • Tel 02920 823289
Ffacs • Fax 02920 825649
gill.morgan@wales.gsi.gov.uk

Johnson, Andrew (AMSS Karen Sinclair)

From: [REDACTED]

Sent: 26 August 2010 10:11

To: Sinclair, Karen (Assembly Member)

Subject: Update

Hi Karen

Just a quick update (I will give you a call later today), I have just received confirmation from the Head of Corporate Governance in WAG that he has received the report from the internal investigation. I have arranged to meet him tomorrow afternoon so that he can pass the report over to me and have initial discussions on the findings.

I will call later when I am back in the office, but thought you would want to know.

Regards

[REDACTED]

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Dame Gill Morgan DBE
Ysgrifennydd Parhaol • Permanent Secretary



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Karen Sinclair AM



25th October 2010

Dear Karen,

As an Assembly Member who has previously written to the Welsh Assembly Government on the matter of the River Lodge site, Llangollen, I am writing to you with an update.

In March 2010, as Principal Accounting Officer, I asked my Internal Audit team to review the value for money and the robustness of the decision making process in relation to the acquisition of the River Lodge site, Llangollen, and proposals for its disposal to Powys Fadog, a local community group, by way of an agreement for lease. The review concluded that a full Options Appraisal of the future uses of the site should be undertaken before any further decisions were made concerning its disposal or development.

A detailed Options Appraisal has now been completed which considers both existing proposals submitted by Powys Fadog and the Pennaf Housing Group, and alternative options in the light of current Assembly Government policies and priorities. The existing agreement for lease has a financial pre-condition under which Powys Fadog must demonstrate, by June 2011, its ability to fund significant refurbishment works to the existing buildings. The options appraisal report concludes that Powys Fadog do not, as yet, appear to be able to satisfy the financial pre-conditions of the agreement for lease. In addition, the proposal does not fit with current Economic Renewal and Strategic Regeneration policy and funding priorities.

Powys Fadog has until June 2011 to satisfy this pre-condition. As the plans do not match current priorities, this date will not be extended and in the interim we will continue to explore other options to be implemented, should Powys Fadog fail to generate sufficient resources. These will include health and/or social housing.

Yours sincerely

A handwritten signature in cursive script that reads "Gill Morgan".

GILL MORGAN



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INVESTOR IN PEOPLE

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Karen Sinclair
AM for Clwyd South

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



Dame Gillian Morgan
Permanent Secretary
Welsh Assembly Government
Cathays Park
Cardiff
CF10 3NQ



1 - NOV 2010

WELSH ASSEMBLY GOVERNMENT
SECRETARY GENERAL'S OFFICE

28th October 2010

Dear Gillian,

I write in response to your letter of 25th October. I am afraid your letter does not address any of the questions that I raised in my correspondence of 21st July 2009 and 21st Sept 2009 to the then First Minister, Rhodri Morgan. Indeed to date I have had nothing that remotely satisfies the longstanding concerns I have with this project.

As you know, I have previously requested a comprehensive review of the Welsh Assembly Government's involvement with the Woodlands site, and as yet have not received answers to the following questions:

1. Why was the site first purchased by the Welsh Assembly Government?
2. What was its intended use?
3. Which officials were involved in the purchase of the Woodlands and in particular what role was played by the Deputy Chief Land Buyer (who also served as the Chair of Powys Fadog) in the acquisition of the site?
4. Was the purchase of the site purely strategic (as a prime site near the entrance to Llangollen) and what work had been done to identify a future use for it at the time?
5. How was the tendering process relating to the site conducted?

As you know I have been involved with this issue from 2007 and believe I have shown incredible patience whilst your department continued their investigations into the project. I have done this not to be awkward, but simply in order that I may in turn refute the misrepresentations and false allegations that have been made by some individuals in North East Wales as to my involvement in the project.

As a local representative I believe I am duty bound to pursue the legitimate concerns I have about this issue and to highlight the concerns that I now know are shared by your department following the internal investigation that has been conducted. However, should I fail to get answers to the questions I have raised I will have no option but to pursue my own Freedom of Information requests to obtain the information I need.

Please address replies to:
Room B302, National Assembly for Wales, CARDIFF, CF99 1NA
☎ 029 2089 8724 Fax: 029 2089 8305
Email: Karen.Sinclair@wales.gov.uk

I look forward to your early and positive response to this issue.

Yours sincerely,

Karen Sinclair

KAREN SINCLAIR, AM
CLWYD SOUTH

Cc

Carwyn Jones AM - First Minister
Jane Hutt AM - Minister for Business and Budget
[REDACTED]

Please address replies to:
Room B302, National Assembly for Wales, CARDIFF, CF99 1NA
☎ 029 2089 8724 Fax: 029 2089 8305
Email: Karen.Sinclair@wales.gov.uk

Dame Gill Morgan DBE
Ysgrifennydd Parhaol • Permanent Secretary



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Karen Sinclair AM
Room B302
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

17th November 2010

Dear Karen,

Thank you for your letter of 26 October 2010. I am sorry that you were disappointed with my letter of 25 October 2010 to local Assembly Members. This was specifically intended to address the issues arising from the Options Appraisal concerning the future uses of the site. As regards the detailed points which you raise, these are matters which are being considered as part of the ongoing investigation into the probity and value for money aspects of the project. As you are aware, the investigation is being conducted within the terms of the WAG disciplinary policy. Since this process has yet to be concluded, I am not in a position to comment at the present time.

I will contact you further on conclusion of this process, when it is my intention to provide a factual statement which will, subject to data protection considerations, address the issues that you raise.

It is open to you to make a request under the Freedom of Information Act, which would be considered in accordance with the requirements of that legislation. As you will be aware a large number of requests for information have previously been received relating to the River Lodge site. The disclosures which have been made pursuant to those requests, subject to relevant exemptions, can be found at www.information.wales.gov.uk, copies of which are enclosed for information.

Gareth Hall is a regular visitor to North Wales and will be more than pleased to meet you there to discuss matters further. I am also happy to meet you.

Yours sincerely

GILL MORGAN



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STATEMENT BY THE PERMANENT SECRETARY

In reinforcing a statement on her behalf in an article in today's Western Mail, Gill Morgan, Permanent Secretary of the Welsh Assembly Government confirms that the internal audit review instigated in relation to the acquisition and subsequent proposals for the disposal of the River Lodge site in Llangollen was solely at her behest. This was initiated in her role as Principal Accounting Officer with legal responsibility for ensuring probity and value for money in the use of public funds. It was not due to or influenced by any political representations or correspondence.

Extract from a letter from the Minister for the Economy and Transport to Janet Ryder AM dated 5TH February 2010.

"Powys Fadog

Provided Pennaf Housing Group can submit a detailed application within the next two weeks and make a start before the end of the financial year, the Environmental Improvement Grant will be secure".

papers of interest.

Note particularly
pages 6 + 13²⁴.

Mark Isherwood AM
Welsh Conservative Member for North Wales



Cardiff Bay, Cardiff CF99 1NA
Bae Caerdydd, Caerdydd CF99 1NA

Eich cyf / Your ref
Ein cyf / Our ref: MI/JW
12th April 2010

Ffôn/Tel: 029 20 898730
Ffacs/Fax: 029 20 898323
Mark.Isherwood@wales.gov.uk

Ieuan Wyn Jones AM
Deputy First Minister and Minister for Economy and Transport
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

Re: River Lodge/Former Woodlands Hotel, Liangollen

Further to my contacting you previously regarding the above, your 8th February 2008 letter of response stated "I can confirm that the Welsh Assembly Government purchased this property, now known as River Lodge, on 7th March 2007. Negotiations have been entered into with Powys Fadog, a local social enterprise, with a view to securing an acceptable community use for the building. This does include an element of teaching in a number of disciplines which you refer to as 'martial arts', as well as other activities to be offered to the local community."

At the request of Liangollen residents I visited the site last week and was concerned to note that the property is still empty and unused.

Concerns were raised with me that this represented poor financial management and a waste of public money, when this publicly owned asset should be generating income.

I understand as it is now five years since the WDA/Welsh Government purchased this property when it was understood that it would become the Powys Fadog Community Development Centre, a sustainable social enterprise helping people to fulfil their potential including through Shaolin Kung Fu.

It is further understood that the sum of public money committed amounted to approximately £1.6 million (please confirm if otherwise) and I note that further funds have been expended on fencing, concrete blocks etc.

I am also advised that planning permission is being considered for a wall around the premises and I would be grateful if you could confirm the accuracy and purpose of this.

I have been informed that requests to Mr P Wong for information on the financial viability of this scheme have been rejected on the grounds of commercial confidentiality, that the business plan produced lacks the substance and content required of a proper business plan and that the limited information currently publicly available indicates forecast annual financial losses.

I am further advised that no change of use for the premises has been registered and that the apparent secrecy around the proposal is causing serious concern to residents.



It is my understanding that at a Town meeting on 8th March 2010. Mr Wong responded to questions by stating that he hoped for a Welsh Government decision by the end of that week. I would therefore be grateful if you could give this matter your urgent attention and confirm both the current situation and your intended course of action. In so doing, please indicate timescales and indicate where the money required for investment in this property would be coming from.

Regards


Mark Isherwood AM
Shadow Minister for Social Justice and Housing



Gov101 Correspondence with Damien O'Brien relating to the River Lodge Hotel, Llangollen

25 June 2010. You asked for any emails or paperwork, for or on behalf of Damien O'Brien (CEO, WEFO) in relation to Powys Fadog/River Lodge Hotel, Llangollen. I would like to request any information/communication since December 2008.

25 June 2010

Dear

Request for Information – reference 4208

Further to my letter to you on 11 June 2010, I am enclosing some further information which you requested, at Annex 1.

We have decided that some of the information is exempt from disclosure as it is not relevant to the request. Exempt information has been blanked out of the documents released with this letter.

Any information released under the Freedom of Information Act 2000 or Environmental Information Regulations 2004 will be listed in the Assembly Government's Disclosure Log (at www.information.wales.gov.uk).

If you believe that we have not followed the relevant laws, or you are unhappy with this response, please contact us to request a first stage review. If, after that, you are still not satisfied you may request a second stage review by the Assembly Government. When dealing with any concerns, we will follow the Assembly Government's Code of Practice on Complaints which is available on the Internet at www.wales.gov.uk or by post.

Following that, if you are still dissatisfied with the response to your request you will have the right to complain to the Information Commissioner. The Information Commissioner can be contacted at:

Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF
Tel: 01625 545 745
Fax: 01625 524 510
Email: enquiries@ico.gsi.gov.uk

Also, if you think that there has been maladministration in dealing with your request then you may make a complaint to the Public Services Ombudsman for Wales who can be contacted at:

Public Services Ombudsman for Wales

ATISN 4208 Powys Fadog – River Lodge Hotel

Annex 1

Item number	Item date	Description	Reason information withheld (if any)
001	9 June 2009	Email from Ministerial Adviser (Rhuanedd Richards) re Powys Fadog meeting 24 June	Enclosed, however, redacted information not relating to the request
002	8 July 2009	WEFO email (to DO'B) & attached draft letter re project funding decision	Enclosed, however, redacted information not relating to the request

[REDACTED]
From: Richards, Rhuanedd (Special Adviser)
Sent: 09 June 2009 15:24
To: O'Brien, Damien (DE&T - WEFO)
Cc: [REDACTED]
Subject: RE: Powys Fadog meeting

Damien,
We have some concerns about the e-mail below. Powys Fadog have expressed their frustration with many issues within DE&T on a number of occasions, particularly in relation to communications. The Heritage Minister met them recently to discuss many of these issues and we've tried to address previous concerns. Would be grateful for any comments.
Thanks
Rhuanedd

↑ whoe's concern's WEFO's? note this is from special Advisor

From: [REDACTED] On Behalf Of PS Minister for Heritage
Sent: 09 June 2009 15:15
To: [REDACTED]
Cc: [REDACTED]
Subject: FW: Powys Fadog meeting

for info

ANYSO

From: Poi Wong [mailto:powysfadog@googlemail.com]
Sent: 09 June 2009 15:11
To: [REDACTED]
Minister for Heritage; [REDACTED]
Subject: Powys Fadog meeting

Thanks for your e-mail. We have considered what you have put forward about the suggestion of possible state aid issues, and your invitation for us to meet with you to discuss these.

However we consider that it is completely unreasonable to expect us to have any genuinely constructive discussion about apparent state aid issues (which after all these months has only just been flagged up!) without providing us any detail at all about the issues you raise.

Therefore I would ask you to forward to us in writing a detailed appraisal from your advisors of which aspects of the business plan exactly you are saying constitute state aid, with the relevant guidelines, references, etc. Once we have received this vital information and have had an opportunity to have it scrutinized and be advised on it, we will be in a situation to engage in a two way discussion about the situation. Also please be aware that at any time if there is any confusion, or you are unclear about any aspect, or interpretation of the business plan you can contact me directly.

We are again beginning to become concerned about the level of commitment from WEFO, mostly due to the lack of quality communication and also the amount of time being taken. We sincerely hope not to see a repeat scenario as has been the case in the past.

19/04/2010

6

I am sure that you are aware that we have been assured in very strong terms that we will be dealt with in a respectful and helpful manner as regards our proposal. For instance we have been assured by your [redacted] that any possible problems would be brought to our attention immediately and further more that a fair decision will be reached by July.
So if you can send us the relevant information as soon as possible then I can confirm that members of the board of Pwys Fawg along with our advisors will be able to meet with you on Wednesday 24th June.

Deddf

Po: Wom

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Mae'n ddigon posibl y bydd unrhyw ohebiaeth drwy'r GSI yn cael ei logio, ei monitro a neu ei cofrestru yn awtomatig am resymau cyfremlir.



Draft 1

Swyddfa Cyllid Ewropeaidd Cymru
Welsh European Funding Office
Adran yr Economi a Thrafnidiaeth
Department for the Economy and Transport



Glywadaeth Cynulliad Cymru
Welsh Assembly Government

Mr Poi Wong
The Court House
New High Street
Rhuabon
Wrexham
LL14 5NH

8 July 2009

DRAFT

Dear Mr Wong

The Powys Fadog Community Development Centre (80609)

WEFO has considered in detail the Powys Fadog Community Development Centre Business Plan and information sent subsequently by e-mail. We have also taken into account the comments made by Powys Fadog representatives at the meeting of 24 June 2009.

WEFO has also considered the funding situation in Priority 4 Theme 3 (Environment for Growth), under which projects are currently seeking over £40 million from WEFO. This is almost three times more than the funding available for the theme. Consequently the competition for funds is very strong and prospective projects cannot simply be assessed in isolation from the wider strategic portfolio.

As you are aware, I received advice from WEFO's legal advisors on State Aid issues and also engaged WEFO's in-house financial appraisal team. We have been kept informed by the Department for the Economy and Transport about the lease agreement.

I am sorry to tell you that, in the light of all of the above-mentioned considerations, WEFO has taken the decision not to fund the project.

The main reasons for this are as follows:

- In a climate of high levels of competition for limited funding, WEFO cannot justify the levels of risk involved with funding the project as it currently stands.
- In comparison with other projects that are competing for funds, the potential contribution of the project to the Programme Objectives is not sufficient to justify its prioritisation.



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Bae Colwyn • Colwyn Bay
LL28 4PL

Tel: 01492 51492
Ffôn Ffôn: 01492 542903
E-bost: E-Mail

8



- Another element of risk is the financial viability of the centre. The organisation is at a disadvantage compared to established businesses in that the viability of our investment must be judged on assumptions and financial projections alone. The fact that the funding package is not entirely in place and there is no funding facility for potential deficits is also a factor. Whilst we do support new organisations and we could even take a risk to fund without a complete funding package we must consider the level of risk in relation to the benefits and across the whole portfolio of projects.
- Finally there is the potential for our grant to contravene State Aid rules in respect of some elements within the project although other elements are low risk. It is true that, in order to encourage investment in less economically-developed regions, the European Commission allows State Aid to be given in West Wales and the Valleys but only up to grant rates established in exemptions such as the General Block Exemption Regulation. Unfortunately the project proposal does not include enough private funding to allow us to use the Block Exemption.

I have concentrated on negative points in this letter in order to try to explain the decision that has been made. However, there is much that can be said about the project that is positive. For example, the attitude towards Environmental Sustainability and Equal Opportunities, and the commitment of the Powys Ffadog members to the project, stand out.

You may wish to receive further clarification about these points or have further questions, in which case I shall be happy to respond.

Details of the Welsh Assembly Government's Code of Practice on Complaints can be found at http://new.wales.gov.uk/contact_us/complaints1?lang=en

Yours sincerely,

[Redacted signature]

Cefnogaeth Ofodol ac Adfywio, Bae Colwyn
Spatial Support and Regeneration, Colwyn Bay



Adiladwy Llywodraethol - Government buildings
Bae Colwyn - Colwyn Bay
LL28 4UL

Ffôn: Tel: 01492
Ffôn Ffacs: 01492 542603
E-Bost: E-mail

9/10

Draft 2

Swyddfa Cyllid Ewropeaidd Cymru
Welsh European Funding Office
Adran yr Economi a Thrafnidiaeth
Department for the Economy and Transport



Llywodraeth Cymru
Welsh Assembly Government



DRAFT

8 July 2009

Dear Mr Wong

The Powys Fadog Community Development Centre (80609)

WEFO has considered in detail the Powys Fadog Community Development Centre Business Plan and information sent subsequently by e-mail. We have also taken into account the comments made by Powys Fadog representatives at the meeting of 24 June 2009.

WEFO has also considered the funding situation in Priority 4 Theme 3 (Environment for Growth), under which projects are currently seeking over £40 million in EU grants; this is almost three times more than the funding available for the theme. Consequently the competition for funds is very strong and prospective projects cannot simply be assessed in isolation from the wider strategic portfolio. WEFO is required to deliver against some quite demanding targets set by the European Commission and this requires tough choices to be made between competing projects.

As you are aware, I have received advice from WEFO's legal advisors on State Aid issues and also engaged WEFO's in-house financial appraisal team. We have been kept informed by the Department for the Economy and Transport about the lease agreement.

I am sorry to tell you that, in the light of all of the above-mentioned considerations, **WEFO has taken the decision to place the project in reserve.**

The main reason for this decision stems from the high levels of competition for limited funding. In comparison with other projects, and taking account of the delivery risks that are associated with any new venture, the potential contribution of the project is not at a level to justify its prioritisation for funding at this time. Whilst we do support new ventures, we must consider the level of risk in relation to benefits and across the whole portfolio of projects.



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LL28 4UL

Ffôn/Tel: 01492
Ffacs/Fax: 01492 542603
E-Bost/E-Mail:

From: [Redacted]
Sent: [Redacted]
To: [Redacted]
Cc: [Redacted]
Subject: 080509DraftFundingDecisionLetter.doc

Importance: High

Attachments: 080509DraftFundingDecisionLetter.doc



Section 43

... might be a slight re-drafting of Baid's letter to Town's Board...
... might be helpful for us and in any case you might find it helpful...
... My remaining concern is that we have perhaps not stated clearly
... enough that the project is to be rejected outright as opposed to put on reserve...
... This still remains an option of course and might be helpful in the event that
... further developments lead us to look again at the project.

I await for your views on this, as there is little doubt that Managers will be drawn
in on the subject.

11

Swyddfa Cyllid Ewropeaidd Cymru
Welsh European Funding Office
Adran yr Economi a Thrafnidiaeth
Department for the Economy and Transport



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Mr Poi Wong
[Redacted]

9 July 2009

Dear Mr Wong

The Powys Fadog Community Development Centre (80609)

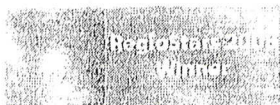
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The main reason for this decision stems from the high levels of competition for limited funding. In comparison with other projects, and taking account of the delivery risks that are associated with any new venture, the potential contribution of the project is not at a level to justify its prioritisation for funding at this time. Whilst we do support new ventures, we must consider the level of risk in relation to benefits and across the whole portfolio of projects.



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Government of Wales
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12

Swyddfa Cyllic Ewropeaidd Cymru
Welsh European Funding Office
Adran yr Economi a Thraffidiadaeth
Department for the Economy and Transport



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

In order to try to explain the decision that has been made, I have concentrated in this letter on the strongest deciding factors. As you are aware, there are also difficulties in relation to State Aid compliance. These might have been resolvable if EU funds could be granted under the General Block Exemption Regulation; however that only permits grant rates up to a certain level, which would require more private match funding than is included in your project. In any case, removal of State Aid issues would not resolve the overriding considerations covered above.

We are sorry not to be able to support the project as there are also many positive aspects to it, including the attitude towards Environmental Sustainability and Equal Opportunities and the commitment of the Powys Ffwdog members, which stands out.

You may wish to receive further clarification about these points or have further questions, in which case I shall be happy to respond.

Details of the Welsh Assembly Government's Code of Practice on Complaints can be found at http://new.wales.gov.uk/contact_us/complaints/?lang=en

Yours sincerely,

WAG Economy and Transport



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Government Buildings
Sae Gwynedd - Gwynedd Bay
LL25 4UL

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Ffacs/Fax: 01497 517409
E-bost/E-mail:
Llywodraeth Cynulliad Cymru - WAG

12a
B



From: [REDACTED]
 Sent: [REDACTED]
 To: [REDACTED]
 Cc: [REDACTED]
 Subject: RE: c80509DraftFundingDecisionLetter.doc

The letter looks fine to me, although given that WAG is not currently as one on this I would be inclined to place on the project on reserve, at least for now. The reasons given for not proceeding seem quite compelling but it might be advisable to allow ourselves some elbow-room should we need it further down the line. That said, I am pleased to stand firm on this one.

↑
 what differences were there?
 between which ministers in WAG?

Damien O'Brien
 Director / Dyfarwyddwr
 Welsh European Funding Office
 Gwyddia Cymraeg Ewropeaidd Cymru
 Welsh Assembly Government / Llywodraeth Cynulliad Cymru
 Llywodraethol Business Park
 Merthyr Tydfid - CF48 1DE
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 Tel: From: 01495 12933
 Fax: From: 01495 12932

Save paper - do you need to print this email? - Arbed Papur - os angen i chi printwch yma!

----- Message -----
 From: Leif, Greta (SEBT - WEFO)
 Sent: 14 July 2007 14:13
 To: O'Brien, Damien (SEBT - WEFO)
 Cc: [REDACTED]
 Subject: c80509DraftFundingDecisionLetter.doc
 Importance: High

Damien - attached is my slight redrafting of Baud's letter to Powys Faced - as I think you would "clear" it for us and in any case you might find it helpful if you are speaking to Ian. My remaining concern is that we have perhaps not stated clearly enough that the project is to be rejected outright as opposed to put on reserve. The latter still remains an option of course and might be helpful in the event that further developments lead us to look again at the project.

Grateful for your views on this, as there is little doubt that Ministers will be asked to do the subject.

Swyddfa Cyllid Ewropeaidd Cymru
Welsh European Funding Office
Adran yr Economi a Thrafnidiaeth
Department for the Economy and Transport



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

In order to try to explain the decision that has been made, I have concentrated in this letter on the strongest deciding factors. As you are aware, there are also difficulties in relation to State Aid compliance. These might have been resolvable if EU funds could be granted under the General Block Exemption Regulation, however that only permits grant rates up to a certain level, which would require more private match funding than is included in your project. In any case, removal of State Aid issues would not resolve the overriding considerations covered above.

We are sorry not to be able to support the project as there are also many positive aspects to it, including the attitude towards Environmental Sustainability and Equal Opportunities and the commitment of the Powys Fadog members which stands out.

You may wish to receive further clarification about these points or have further questions, in which case I shall be happy to respond.

Details of the Welsh Assembly Government's Code of Practice on Complaints can be found at http://new.wales.gov.uk/contact_us/complaints1/?lang=en.

Yours sincerely,

[Redacted]
Ceinogaeth Drodor ac Adfywio, Bae Colwyn
Spatial Support and Regeneration, Colwyn Bay

*This is the back
page of all
the drafts &
finished letters*



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Cyfarwyddwr Cyffredinol/Director General
Adran yr Economi a Thrafnidiaeth
Department for the Economy & Transport



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Karen Sinclair AM



14 April 2010

Dear Mr. Sinclair,

River Lodge, Llangollen

You have written to Ministers on a number of occasions on the subject of River Lodge, Llangollen. You will be aware that I raised concerns with the Permanent Secretary who, as Principal Accounting Officer, instigated an internal audit review in relation to the acquisition and subsequent proposals for disposal of the site. We have now received interim conclusions and a number of recommendations which require further investigation.

Whilst I am not in a position to elaborate on most of these conclusions and recommendations until this further work is concluded, I can confirm that there is a recommendation that decisions in relation to the future use of the property should follow a full options appraisal of the future use of the site. I have been requested by the Permanent Secretary to initiate this options appraisal which will include consideration of the proposed transfer of the agreement for lease and associated funding application most recently put forward by Clwyd Alyn Housing Association and Powys Fadog.

As this work is taken forward I will ensure that we keep you in touch with developments regarding the use of the site.

Yours truly
Gareth Hall
GARETH HALL

Parc Cathays
Caerdydd
CF10 3NQ

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BUDDSODDWR MEWN POBL
INVESTOR IN PEOPLE

Department for the Economy & Transport

Project: River Lodge, Llangollen – Options Assessment

Purpose

- 1 The purpose of this paper is to outline the options open to the Welsh Assembly Government in respect of its land holding at River Lodge Llangollen.
- 2 In considering options under the terms of reference for this report, no account has been taken of previous expenditure on or proposals for this site and the site is considered at today's date free from any encumbrances except where otherwise stated and on the basis of the site forming part of the DE&T portfolio.

Description

- 3 The property is shown edged red on the attached plan No.1 and extends to approximately 0.85 ha (2.11 acres). A fuller description is contained in the attached planning report at Annex 1. It is understood that reports have previously been commissioned as to the condition of the buildings remaining on site. For this reason, issues relating to building condition are not discussed in this report, save that it is recognised that the costs of bringing the buildings back into use are potentially considerable.

Strategic Context

- 4 In the context of the work of the Economic Development Group within DE&T this property is considered to have limited strategic context, if any, in the light of the recently published Economic Renewal Programme. It is considered that this site would likely be considered a surplus site in economic development terms on review against departmental objectives. There is potential for the site to be put to other uses which could meet the Welsh Assembly Government's One Wales objectives but not as part of the Economic Development Group's core activity.

Options

- 5 At a very simple level the options open to the Welsh Assembly Government are to either retain or dispose of this asset. Within those two broad parameters are a number of sub options and those considered to be the principle ones are described and discussed below -

Option A (i)

- 6 **Retain for consideration for social housing objectives.** As surplus land, normal procedure would be to refer through the surplus land group for consideration as to suitability for affordable housing. If the site is

deemed by the local authority/DESH as being potentially suitable for such use, then the site should be retained by WAG whilst necessary planning and survey works is undertaken, whereupon the site will be transferred to an appropriate Registered Social Landlord for development.

Option A (ii)

7 Retain for community/regeneration use. If the Strategic Regeneration team feel that there is a case for supporting regeneration type uses on this site then potentially the site could be put wholly or partly to such use subject to identification of a suitable delivery partner. However the site does not lie within an identified Strategic Regeneration Area and as such may not attract any WAG funding.

Option A (iii)

- 8 Retain and refurbish. The costs of refurbishment, depending on final application, could be substantial (it is understood that previous estimates have been made on the order of £800,000). Such costs could be partially offset if small scale residential development is possible on the existing car park area adjacent to Bishops Close although this option would still represent significant drain on resources for a project outside an SRA, if considered as a Strategic Regeneration priority. As the site is not considered to be of strategic significance in economic development terms, it is considered use of scarce funds to refurbish for such use could not be justified in view of other priorities.

Option A (iv)

- 9 Retain for Alternative Public Use. The North East Wales NHS Trust have been contacted and confirm that there is potential demand for a new facility of approximately 2000m² in the Liangollen area, to provide an office and clinic facilities for the Mental Health Team. This option should be investigated further if acceptable in policy terms (ie considered against the existing protocol for offering surplus sites for affordable housing in the first instance). Further discussions could also be held, possibly through the local service board, to establish whether any other public body has a requirement for land in the area. Such action would be in line with emerging operational efficiency guidelines covering the whole the public sector estate and the Assembly Government's own National Assets Management working group.

Option B (i)

- 10 Dispose as surplus. It is felt that for the Economic Development Group this site has little potential to contribute to Economic Renewal Programme objectives when considered in the context of the All Wales Portfolio and current resources. In such circumstances the default position is for sites to be passed through the Affordable Housing

(surplus land) Group for consideration as to its suitability for development of affordable housing (as per Option A(ii)). Initial discussions with the local authority (see attached planning report at Appendix 1) indicates that housing would be an acceptable use although the local authority are unlikely to request more than 30% provision for affordable housing within this site.

Option B (ii)

11. Disposal of Land for other purposes, either specified or on the Open Market to the highest bidder. The attached planning report at Appendix 1 highlights a number of potential alternative uses which could include institutional, leisure, market housing etc. There are a number of development or redevelopment sites on the market in the general area at present. The local authority have reported a reluctance to consider development of further flats in the area, although they would have no policy grounds on which to reject such a proposal, but the number of development opportunities for such use suggests that the market may be already at capacity or catered for in the immediate future. There is reportedly active interest for holiday homes development in the area – a site to the south west of Liangollen allocated for development of 36 log cabins is under offer although the River Lodge site may be too small to offer sufficient critical mass for such development. Retail development would not be supported by the local planning authority, although there is known to be demand and a specific enquiry in respect of the site has been received for such use. It is further suggested that disposal of the site on the open market free from any development obligation may result in an unsatisfactory outcome for the local community as a legacy of WAG ownership. Securing disposal for development for a use according with the wishes of the L.P.A. is likely to carry substantially less risk in terms of potential bad publicity/reputational damage.
12. In conclusion if there is a lack of support for promoting community uses on this site, it is considered that the most appropriate options would be to engage with the NHS Trust to establish the potential suitability of the site to meet the identified requirement, and also liaise with other public bodies to assess whether demand exists for any other public use of this land and. Depending on the outcome of those discussions a policy decision may be required to determine whether the priority should be affordable housing provision or other public use in this instance.

Benefits Expected

13. This paper outlines high level options for consideration of the way forward on this site. Benefits to be derived from proceeding with any preferred option will be reported in the appropriate project approval report to be prepared after the in principle decision has been made on the preferred option.

Risk and certainty issues

- 14 Principle areas of general risk are briefly discussed below together with steps that could be taken to mitigate.

Site Constraints

14.1 Contamination

No site investigation works are believed to have been undertaken to date. Parts of the site have historically been traversed by a railway line and there is the potential for contamination from that historic use. It is also understood that Japanese Knotweed has been identified on the site which will require treatment/management.

14.2 Legal Matters

(The legal report on this site is shown at Appendix 2).

The site is subject to rights reserved for mineral extraction without payment of compensation. The level of "risk" is considered to be low, but title indemnity insurance should be considered. Apart from the access into the site from Bishops Walk, the two other accesses from the main road are subject to prescriptive rights. Those rights only exist pursuant to the use undertaken of the property at the time the rights were claimed (ie commercial/hotel) and may not be protected for alternative (say residential) use. Given the quantum of developable land however it is considered that access from Bishops Walk should be sufficient to serve any such development. There are also rights of way and easements in favour of sewerage and water mains crossing the site. The pedestrian rights of way are considered to present limited risk being alterable at owner's discretion. However the water and sewage easements are more of a constraint and are indicated on the attached Plan 1. It is understood that there are no "lift and shift" provisions relating to those conduits. The sewer in particular represents a potential constraint on development. A small housing development could be designed to accommodate it in its current position, but the costs of relocating it to allow a clearer site for larger footprint structures is potentially prohibitive. [details to be confirmed] The water main is understood to be subject to a 4m easement. No formal easement is believed to exist in respect of the sewer, but informal enquiry of the local drainage authority suggests a 6m width would be required. The developed part of the site falls within the defined settlement boundary for Llangollen which provides some certainty that redevelopment proposals for this part of the site will be considered favourably. However the land lying to the east of the settlement boundary is unlikely to be

favourably considered for development unless it can be demonstrated that such development is essential to enable the remainder of the site to be developed, (which may be possible to agree due to the local authority's desire to see this derelict site on a major entrance to Llangollen redeveloped).

Financial Risk

- 14.3 It is understood that the site was originally acquired for £1.6m in December 2006. Current Asset value (February 2010) is [REDACTED]. At this stage no formal valuation for potential alternative uses has been undertaken. (Ongoing ownership of this asset will also pose a financial risk in terms of maintenance and security costs on an ongoing basis.)

Reputational Risk

- 14.4 It is considered that reputational risk could arise by retaining this asset without any action plan to secure its redevelopment. The property is something of an eyesore on a main entrance into Llangollen and as stated in paragraph 6 above, the local authority are very keen to ensure early re-development and improvement of this site. A bare land sale which fails to impose development obligations on a purchaser will not guarantee that the site will be improved within a reasonable timescale. It is therefore considered that an early disposal for an alternative use (t.b.c.) subject to redevelopment obligations will mitigate risk and secure the future of this site for the local community.

Timescale

15. Under the Economic Renewal Programme, property assets are to be subject to a comprehensive review to establish 'fit' with ERP priorities, with a view to managed disposal of assets that are viewed as surplus. In view of comments made in this report, it is suggested that discussions to determine potential alternative uses be undertaken as soon as possible, so that disposal and improvement of the site can take place at the earliest juncture.

Procurement Route

16. Procurement is not a relevant consideration for the purposes of this report. However procurement methodology will require consideration when contemplating delivery of any alternative development proposal. Given the size of the site and nature of redevelopment options, it is considered unlikely at this stage that any alternative form of development would reach levels that would trigger a requirement to progress procurement through the European Journal as a Public Works Contract, although this should be assessed at the time of disposal to ensure compliance.

Investment Appraisal

17. This report has been prepared to provide a basis for consideration of options in principle. An investment appraisal will be required in respect of the preferred option.

Management Arrangements

18. Management arrangements will be determined by the chosen Option. In the meantime existing security and ad hoc maintenance arrangements will continue. Following implementation of the preferred option, a benefits monitoring exercise will be required.

Sustainability Issues

19. These will need to be considered in the context of the preferred option although any redevelopment of the site will be undertaken in accordance with Welsh Assembly Government's guidance on sustainable development.

Equality Issues

20. These will need to be appropriately assessed in respect of the preferred Option.

Racial Impact Assessment

21. These will need to be appropriately assessed in respect of the preferred Option.

Welsh Language

22. These will need to be appropriately assessed in respect of the preferred Option.

Compliance

23. This report raises no immediate compliance issues but does highlight potential areas for attention depending on the Option chosen.


Regional Director
11 August 2010 – V5

Appendix 1

River Lodge Hotel, Llangollen

Site Location

The site is located on the east of Llangollen, bounded by the A539 to the north and the River Dee to the south. It is located to the east of the main built up area and forms one of the main entrances to the town from the east.

Description

The site is 0.85ha (2.11 acres), shown edged red on the attached plan. It is a linear site, with a plateau at road level and then a steep slope down to the river. The site is currently occupied by a vacant hotel, part of which runs alongside the A539.

The building consists of two main elements. The first part of the building is two storey and was probably built over 200 years ago. It is set back from the road and has a main entrance on its north elevation, fronting the road. The building was extended approximately 25 years ago. On the road frontage, this element of the building is mainly single storey with smaller sections being two storey in height. Due to the sloping nature of the site, on the river elevation, the building is two and three storey in height. The main fenestration to this part of the building takes advantage of views to the river. The elevation to the road represents a largely blank and uninviting entrance to the town.

The built up element of the site is included within the settlement boundary (0.49ha 1.23 acres), shown coloured blue on the attached plan. To the east of the building, and outside of the settlement boundary lies the remainder of the site which appears to have previously been used as the hotel car park. It is not known at this stage why the settlement boundary has been drawn to exclude the car park. There is also some evidence that there was previously some hard surfacing at the eastern extremity of the site which appears to have originally formed part of a railway. This will need further examination to establish whether an argument can be made that the settlement boundary should be amended. (This may prove difficult without substantive evidence and the Local Development Plan has progressed passed the stage where appropriate representations can be made).

To the west of the site is a small development of houses, which appears to have been constructed in the 1990's. The houses are of no particular architectural merit.

Planning History

Planning permission was granted for the extension to the original building in 1981.

Subsequent applications have been for minor alterations and for the creation of one self contained flat.

Planning Policy

The relevant development plan for the area is the Denbighshire Unitary Development Plan which was adopted in July 2002. It covers the period 1996-2011. While a local development plan is currently being prepared, it is not considered that it has reached a stage where it can carry sufficient weight to be a material planning consideration. The LDP was placed on deposit in October 2009.

Copies of the relevant policies of the UDP can be provided, but it is not considered necessary to repeat them here

The built up part of the site falls within the defined settlement boundary for Llangollen, which provides some certainty that the redevelopment of this part of the site will be considered favourably. (Subject to issues of design, access amenity etc.).

Constraints

There is a sewer that dissects the site in an east – west direction which is likely to restrict the area available for development. A public footpath runs also runs through the site, although this is not considered to represent a major obstacle for development.

The site does not appear to be in an area that is liable to flooding, but a formal view from the Environment Agency has not been obtained.

Potential Uses

The policies of the Plan are generally supportive of the redevelopment of the site, either as a conversion or redevelopment. Advice from the local planning authority is that development on the part of the site that sits outside the settlement boundary would not be acceptable, however they are keen to secure an improved form of development at what they perceive as a major gateway site at the entrance to Llangollen. The main forms of development that are likely to be greeted with some resistance are retail – I would support their reluctance. Any form of retail development would have a seriously negative impact on the town centre, which is already suffering from decline. Members are also likely to be concerned if a flatted development were to be proposed. There are existing developments of flats within the town which have experienced difficulty of disposal.

If a residential scheme were to be proposed it would need to provide in the region of 30% affordable housing. Using the current settlement boundary all development would need to be accommodated within the existing boundary however, there may be the potential to utilise the existing car parking area and the far eastern end of the site for car parking or amenity area. If evidence

can be submitted that the eastern end of the site was previously railway land it may be possible to form an argument that it should be included within the settlement boundary and as such be appropriate for development. It may also be possible to demonstrate that in order to create a high quality 'gateway' scheme the additional land would be required as a form of enabling development.

Other potential uses which are worthy of consideration are health, although there may be arguments that the use of the site for a local, community based facility may not represent a sustainable form of development as it would be located away from the main centre of population.

There is also the opportunity to consider whether there is need for a care based facility such as a nursing home or a more institutional type use, although the latter may be greeted with some opposition from local residents.

The UDP is also supportive of tourism based development in Llangollen provided that it would conserve/enhance the towns setting in the landscape and contribute to, or improve its tourism appeal. The UDP specifically seeks to encourage the provision of holiday accommodation particularly self catering holiday flats and facilities for the disabled. The existing lawful use of the property as a hotel would also support such a use.

B1 offices may also be acceptable if the appropriate demand exists.

One Wales Objectives

All of the above options are considered to comply with the One Wales objectives

[REDACTED]

From: [REDACTED]
Sent: 06/06/2010 10:07
To: [REDACTED]
Subject: River Lodge, Llangollen
Follow Up Flag: Follow up
Flag Status: Red
Attachments: River Lodge, Llangollen.doc

Hello Karen,

As requested, I've put together the chronology attached below, which covers my involvement with this site.

I would appreciate any pressure which can be brought to bear on the powers that be, to get the caravan removed from the site. I feel that my hands have been somewhat tied, with being unable to take action against WAG..... and WAG seemingly unwilling to take on their responsibility as the Freeholder & remove the caravan themselves.

I look forward to hearing from you as (hopefully), matters progress!

Kind regards

[REDACTED]

Mae'r wybodaeth a gynhwysir yn yr e-bost hwn ac unrhyw ffeiliau a drosglwyddir gydag o wedi eu bwriadu yn unig ar gyfer pwy bynnag y cyfeirir ef ato neu atynt. Os ydych wedi derbyn yr e-bost hwn drwy gamgymeriad, hysbyswch yr anfonwr ar unwaith os gwelwch yn dda.

Mae cynnwys yr e-bost yn cynrychioli barn yr unigolyn(ion) a enwir uchod ac nid yw o angenrheidrwydd yn cynrychioli barn Cyngor Sir Ddinbych. Serch hynny, fel Corff Cyhoeddus, efallai y bydd angen i Gyngor Sir Ddinbych ddatgelu'r e-bost hwn [neu unrhyw ymateb iddo] dan ddarpariaethau deddfwriaethol.

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