

TITLE OF REPORT: **Surrender of Lease: Sunderland Road Library and Recreation Ground**

REPORT OF: **Mike Barker, Strategic Corporate Services and Governance**

Purpose of the Report

1. To seek approval to the surrender of the Council's leasehold interest in the land at Sunderland Road on which the former Sunderland Road Library and Recreation Ground are located (the Subject Site).

Background

2. The Subject Site, which is shown edged black on the attached plan, is leased by the Council from the Master and Ancient Brethren of the Hospital of King James (Landlord) for a term of 200 years from 1st May 1900.
3. The lease originally provided that the land be used for the purposes of Open Space/Public Pleasure Grounds only.
4. On 1 June 1978 the Council obtained a Deed of Release and Variation in respect of the lease terms. The Variation to the lease permitted the use of part of the Subject Site to be changed to that of the use of a Public Library (the remaining land in the lease is still used for recreational purposes) thus enabling the Council to build and operate a library.
5. The Library located on the Subject Site has until recently operated as a volunteer run library operated by the Sunderland Road Library Volunteer Association (SRLVA). The library closed at the end of March 2017.
6. The Landlord holds other land and properties in the vicinity including the Almshouse on Sunderland Road. .
7. The purpose of the Almshouse is to provide affordable accommodation to vulnerable and disadvantaged members of the local community.
8. The main block of the Almshouse is now coming to the end of its life in addition to which the building also contains a large amount of asbestos.
9. The Landlord approached the Council seeking a surrender of its leasehold interest at Sunderland Road on the basis that if the Council was willing to surrender its interest the Landlord would be able to construct a new Almshouse and associated facilities on the site.
10. This new building would be funded from the sale of the existing Almshouse site for housing development.

Proposal

11. To agree to the surrender of the lease dated 1 May 1900 and to maintain the Subject Site whilst development proposals for new Almshouse are progressed.

Recommendations

12. It is recommended that the Council enter into a deed to formally surrender the lease dated 1st May 1900.

For the following reason:

To dispose of a surplus asset and reduce the on-going liabilities of the Subject Site.

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APPENDIX 1

Policy Context

1. The proposed surrender will support the overall vision for Gateshead as set out in Vision 2030 and the Council Plan, in particular; '*Sustainable Gateshead*' and will assist in the aspiration of ensuring a sound future for Gateshead through economic prosperity.
2. The proposal will also accord with the provisions of the Corporate Asset Strategy and Management Plan 2015 – 2020. In particular, using the Council's land to support employment and housing.

Background

3. The Council holds a leasehold interest in the Subject Site that was granted by the Master and Ancient Brethren of the Hospital of King James. The lease was granted to the Council for a term of 200 years with effect from 1 May 1900.
4. The lease provided that the land is to be used for the purposes of Open Space/Public Pleasure Grounds only. However, in 1978 the Landlord agreed with the Council to vary the lease to allow part of the Subject Site to be used for the building of a public library
5. In December 2015 the Council granted a Lease to the SRLVA to manage the day-to-day running of the Library facility. However, in November 2016 the SRLVA notified the Council of their intention not to renew the Lease and cease the day-to-day running of the facility with effect from 31st March 2017. The building has subsequently closed.
6. Also, in 2015, representatives of the Landlord approached the Council to seek a surrender of the Lease dated 1 May 1900 in order to provide a new Almshouse on the site of the recreation ground. The Landlord currently provides an Almshouse on Sunderland Road, opened in 1974, which provides affordable residential accommodation to vulnerable and disadvantaged members of the local community. The existing accommodation includes 22 individual flats and 8 bungalows. The Landlord has been advised that the building is coming to the end of its economic life, as the maintenance costs are disproportionately expensive and maintenance work involves significant disruption to the residents.
7. In order to provide a continued service the Landlord is seeking new premises and re-providing the facility on the Subject Site is an option that is being considered, subject to planning permission.
8. It will be a condition of any planning permission that the open space will be required to be re-provided.
9. The Council will continue to maintain the Subject Site whilst proposals are further developed.

Consultation

10. In preparing this report, consultations have taken place with the Leader, Deputy Leader and Cabinet Members for Housing. Ward councillors have also been consulted.

Alternative Options

11. An alternative option of not entering into discussions with the Landlord has been considered. However, this has been rejected as the Library building is now vacant and there is now an opportunity to reduce the Councils financial liabilities of the Subject Site.

Implications of Recommended Option

12. **Resources:**

- a) **Financial Implications** – The Strategic Director, Corporate Resources confirms that the proposed surrender of the lease will result in the Council ceasing to pay ground rent and site maintenance costs. Surrender of the lease will also help to facilitate the future development of the site.

- b) **Human Resources Implications** – There are no human resource implications as a result of the surrender of the lease.

- c) **Property Implications** - The Corporate Property Officer confirms that the surrender of the lease will release the Council from the cost of maintaining the subject site and provide the opportunity for new housing of varying tenures.

13. **Risk Management Implication** - There are no risk management implications as a result of the surrender of the lease

14. **Equality and Diversity Implications** - There are no equality and diversity implications as a result of the surrender of the lease.

15. **Crime and Disorder Implications** – There are no crime and disorder implications as a result of the surrender of the lease.

16. **Health Implications** –There are no health implications as a result of the surrender of the lease.

17. **Sustainability Implications** - There are no Sustainability implications as a result of the surrender of the lease.

18. **Human Rights Implications** – There are no Human Rights implications as a result of the surrender of the lease.

19. **Area and Ward Implications** – Bridges in the Central area.

Background Information