

TITLE OF REPORT: Surplus Property

REPORT OF: Strategic Director Corporate Services and Governance

Purpose of the Report

1. To seek approval to (i) the properties listed below being declared surplus to the Council's requirements and (ii) the future proposals for the properties after being declared surplus.
 - Winlaton Community Centre
 - Emma Memorial Hall
 - Springwell Community Centre
 - Front Street Primary School

Background

2. The properties are no longer required by the Council for service delivery for the reasons specified in the appendices to this report. The properties are shown edged black on the attached plans.

Proposal

3. It is proposed that the properties be declared surplus to the Council's requirements and thereafter dealt with in accordance with the proposals set out in the appendices.

Recommendations

4. Cabinet is asked to approve the recommendations in the attached appendices.

For the following reason:-

To manage resources and rationalise the Council's assets in line with the Corporate Asset Strategy and Management Plan.

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APPENDIX 1: Winlaton Community Centre, North Street, Winlaton. NE21 6BY

Policy Context

1. The proposed surplus declaration supports the overall vision for Gateshead as set out in Vision 2030 and the Council Plan. In particular, creating capacity for volunteering and community cohesion.
2. The proposed declaration will also accord with the provisions of the update of the Corporate Asset Strategy and Management Plan 2015 – 2020. In particular, the rationalisation of the estate through the disposal of an uneconomic asset.

Background

3. The property, known as Winlaton Community Centre, which is shown edged black on the attached plan is currently held by the Council for the benefit, improvement and development of the borough pursuant to section 120 of the Local Government Act 1972.
4. The Centre was identified as a Transitional property in the Community Centre Review which was approved by Cabinet at its meeting on 26th February 2013(Minute No. C224). A transitional property is one which is either surplus to the Council's requirements or is considered to be appropriate for operating independently from the Council. In these circumstances the Council would consider a transfer of the asset to a third party pursuant to the Community Asset Transfer policy.
5. The Centre's existing management committee has submitted an expression of interest form in accordance with the Council's Community Asset Transfer policy and it is proposed that the application be progressed to enable the transfer of the property.

Proposal

6. It is proposed that the property be declared surplus to the Council's requirements and a 35 year lease granted to the management committee pursuant to the Council's Community Asset Transfer policy.
7. In the event that the lease does not proceed to completion and no other suitable community group can be identified to take on the management of the centre, it is proposed that the property be disposed of on the open market.

Recommendation

8. It is recommended that Cabinet:-
 - (i) Declare the Property surplus the Council's requirements
 - (ii) Authorise the Strategic Director, Corporate Services and Governance to negotiate a 35 year lease pursuant to the Council's Community Asset Transfer policy.

- (iii) Authorise the Strategic Director Corporate Services and Governance to dispose of the property on the open market in the event that the community asset transfer does not proceed to completion.

For the following reason:-

- (i) To manage resources and rationalise the Council's assets in line with the Corporate Asset Strategy and Management Plan.
- (ii) To ensure delivery of the cost savings identified in the Community Centre Review approved by Cabinet on 26th February 2013 (Minute No C224)

Consultation

- 9. In preparing this report consultations have taken place with the Leader, Deputy Leader and Ward Councillors for Winlaton and High Spennings who have raised no objections to the proposal.

Alternative Options

- 10. The option of retaining the property has been discounted as following its assessment as a transitional property as part of the Community Centre Review it fulfilled the criteria for a community asset transfer.

Implications of Recommended Option

- 11. **Resources:**

- a) **Financial Implications** - The Strategic Director, Corporate Resources confirms that the disposal of the property is expected to generate revenue savings for the Council. If a community asset transfer is not possible a disposal on the open market would be expected to generate a capital receipt for the Council.
- b) **Human Resources Implications** - There are no implications arising from this recommendation.
- c) **Property Implications** - The future disposal of this property will result in a reduction in the Council's overall property portfolio thus reducing operational costs.

- 12. **Risk Management Implication** - The future disposal of this property will remove opportunities for vandalism to a vulnerable property.

- 13. **Equality and Diversity** - There are no implications arising from this recommendation.

- 14. **Crime and Disorder Implications** - The future disposal of this property will remove opportunities for crime and disorder, especially vandalism and theft.

- 15. **Health Implications** - There are no implications arising from this recommendation.

16. **Sustainability Implications** - The future disposal of this property will reduce the level of the Council's operational costs, including gas and electricity use, which will subsequently result in a reduction in the Council's carbon footprint.
17. **Human Rights Implications** - There are no implications arising from this recommendation.
18. **Area and Ward Implications** – Winlaton and High Spennings in the West area
19. **Background Information** - Minute No. C224

APPENDIX 2 Emma Memorial Hall, Main Road, Crawcrook, Ryton NE40 3TR

Policy Context

1. The proposed surplus declaration supports the overall vision for Gateshead as set out in Vision 2030 and the Council Plan. In particular, creating capacity for volunteering and community cohesion.
2. The proposed declaration will also accord with the provisions of the update of the Corporate Asset Strategy and Management Plan 2015 – 2020. In particular, the rationalisation of the estate through the disposal of an uneconomic asset.

Background

3. The property, known as Emma Memorial Hall, which is shown edged black on the attached plan is held by the Council for the benefit, improvement and development of the borough pursuant to section 120 of the Local Government Act 1972.
4. The Centre was identified as a transitional property in the Community Centre Review which was approved by Cabinet at its meeting on 26th February 2013 (Minute No C224). A transitional property is one which is either surplus to the Council's requirements or is considered appropriate for operating independently from the Council. In these circumstances the Council would consider a transfer of the asset to a third party pursuant to the Council's Community Asset Transfer policy.
5. The Centre's existing management committee has submitted an expression of interest form in accordance with the Council's Community Asset Transfer policy and it is proposed that the application be progressed to enable a transfer of the property.

Proposal

6. It is proposed that the property be declared surplus to the Council's requirements and a 35 year lease granted to the management committee pursuant to the Council's Community Asset Transfer policy. In the event that the lease does not proceed and no other suitable community group can be identified to take on the management of the centre it is proposed that the property be disposed of on the open market

Recommendation

7. It is recommended that Cabinet:-
 - (i) Declare the Property surplus the Council's requirements
 - (ii) Authorise the Strategic Director, Corporate Services and Governance to proceed with a 35 year lease to the existing management committee pursuant to the Council's Community Asset Transfer policy.
 - (iii) Authorise the Strategic Director, Corporate Services and Governance to dispose of the property on the open market in the event that the community asset transfer does not proceed to completion.

For the following reason:-

- (i) To manage resources and rationalise the Council's assets in line with the Corporate Asset Strategy and Management Plan.

Consultation

- 8. In preparing this report consultations have taken place with Leader, Deputy Leader and Ward Councillors for Crawcrook and Greenside who have raised no objections to the proposal.

Alternative Options

- 9. The option of retaining the property has been discounted as following its assessment as transitional property as part of the Community Centre Review it fulfilled the criteria for a community asset transfer.

Implications of Recommended Option

10. **Resources:**

a) Financial Implications - The Strategic Director, Corporate Resources confirms that the disposal of the property by granting a lease is expected to generate revenue savings for the Council. If a community asset transfer is not possible a disposal on the open market is expected to generate a capital receipt for the Council.

b) Human Resources Implications - There are no implications arising from this recommendation.

c) Property Implications - The future disposal of this property will result in a reduction in the Council's overall property portfolio thus reducing operational costs.

- 11. **Risk Management Implication** - The future disposal of this property will remove opportunities for vandalism to a vulnerable property.

- 12. **Equality and Diversity** - There are no implications arising from this recommendation.

- 13. **Crime and Disorder Implications** - The future disposal of this property will remove opportunities for crime and disorder, especially vandalism and theft.

- 14. **Health Implications** - There are no implications arising from this recommendation.

- 15. **Sustainability Implications** - The future disposal of this property will reduce the level of the Council's operational costs, including gas and electricity use, which will subsequently result in a reduction in the Council's carbon footprint.

- 16. **Human Rights Implications** - There are no implications arising from this recommendation.

17. **Area and Ward Implications –** Crawcrook and Greenside in the West area
18. **Background Information -** Minute No.C224

APPENDIX 3: Springwell Community Centre, Lanchester Avenue, Wrekenton.NE9 7AL

Policy Context

1. The proposed surplus declaration supports the overall vision for Gateshead as set out in Vision 2030 and the Council Plan. In particular, creating capacity for volunteering and community cohesion
2. The proposed declaration will also accord with the provisions of the update of the Corporate Asset Strategy and Management Plan 2015 – 2020. In particular, the rationalisation of the estate through the disposal of an uneconomic asset

Background

3. The property, known as Springwell Community Centre which is shown edged black on the attached plan, is currently held by the Council for housing purposes. Ordinarily the consent of the Secretary of State would be required, however, as it has never been used for the provision of dwelling houses it is deemed to be vacant and as such the Council can rely on the General Consent A.3.2. of the General Consent for the Disposal of Land held for the purposes of Part II of the Housing Act 1983 – 2013, which gives consent to a local authority to dispose of land held for that purpose.
4. The Centre was identified as a transitional property under the Community Centre Review which was approved by Cabinet on 26th February 2013 Minute No C224. A transitional property is one which is either surplus to the Council's requirements or is considered appropriate for operating independently from the Council. In these circumstances the Council would consider a transfer of the asset to a third party pursuant to the Council's Community Asset Transfer policy.
5. The Centre's existing management committee did not wish to submit an Expression of Interest form to progress a Community Asset Transfer.
6. The Council has, however, been approached by 19 Plus Community Interest Company(CIC), who have been trying to secure accommodation in the locality.
7. 19 Plus CIC, trading as Cumbric, is an organisation providing education, training and activities to advance independent living, life and social skills, and employment of people with learning disabilities. It is believed that this use of the property will complement and support the existing community activity to enable it to continue and this benefit has been taken into account when assessing the level of rent that should be payable using the scoring matrix in the Community Asset Transfer policy.

Proposal

8. It is proposed that the property be declared surplus to the Council's requirements and a 35 lease be granted to 19 Plus CIC trading as Cumbric, subject to a rent of £15,000 per annum and 3 yearly rent reviews to reflect the intended use pursuant to the Council's Community Asset Transfer policy.

Recommendation

9. It is recommended that Cabinet:-
- (i) Declare the Property surplus the Council's requirements
 - (ii) Authorise the Strategic Director, Corporate Services and Governance to proceed with a 35 year lease to 19 Plus CIC, trading as Cumbric, subject to the rental terms above, pursuant to the Councils Community Asset transfer policy.

For the following reason:-

To manage resources and rationalise the Council's assets in line with the Corporate Asset Strategy and Management Plan.

Consultation

10. In preparing this report consultations have taken place with the Leader, Deputy Leader and Ward Councillors for High Fell who have raised no objections to the proposal.

Alternative Options

11. The option of retaining the property has been discounted as following its assessment as transitional property as part of the Community Centre Review it fulfilled the criteria for a community asset transfer.

Implications of Recommended Option

12. **Resources:**
- a) **Financial Implications** - The Strategic Director, Corporate Resources confirms that the disposal of the property by granting a lease is expected to generate revenue savings and produce an income for the Council.
 - b) **Human Resources Implications** - There are no implications arising from this recommendation.
 - c) **Property Implications** - The future disposal of this property by granting a lease will result in a reduction in the Council's operational property portfolio thus reducing operational costs.
13. **Risk Management Implication** - The future disposal of this property will remove opportunities for vandalism to a vulnerable property.
14. **Equality and Diversity** - There are no implications arising from this recommendation.
15. **Crime and Disorder Implications** - The future disposal of this property will remove opportunities for crime and disorder, especially vandalism and theft.
16. **Health Implications** - There are no implications arising from this recommendation.

17. **Sustainability Implications** - The future disposal of this property will reduce the level of the Council's operational costs, including gas and electricity use, which will subsequently result in a reduction in the Council's carbon footprint.
18. **Human Rights Implications** - There are no implications arising from this recommendation.
19. **Area and Ward Implications** – High Fell in the South area.
20. **Background Information** - Minute No. C224

APPENDIX 4: Front Street Primary School, Front Street, Whickham. NE16 4AD

Policy Context

1. The proposed surplus declaration supports the overall vision for Gateshead as set out in Vision 2030 and the Council Plan. In particular, Live Well Gateshead – the destination of choice for families with a range of excellent and affordable housing options and a place where children have the best start in life
2. The proposed declaration will also accord with the provisions of the update of the Corporate Asset Strategy and Management Plan 2015 – 2020. In particular, the rationalisation of the estate and the use of its assets to support housing and employment

Background

3. The site of the Front Street Primary School is shown edged black on the attached plan and is currently held by the Council for education purposes. The school relocated to new premises at North View during the easter holiday break and therefore the existing land and buildings are surplus to the Council's requirements.
4. An out of school club currently use the nursery building, shown hatched on the attached plan, by way of a Tenancy at Will and wish to remain in occupation with a view to expanding its business providing childcare for 2 years. The nursery building is located on a different level to the remainder of the buildings within the site and is not considered suitable for residential development and the grant of a lease to the out of school club is considered suitable.
5. As the site lies within a Conservation Area, and the main school building (shown cross hatched on the plan) is a non-designated heritage asset for the purposes of the National Planning Policy Framework, its demolition would not be encouraged, it is therefore anticipated that the building will be converted. The remaining buildings could, however, be demolished subject to Conservation Area consent as the land is suitable for residential redevelopment.
6. The grant of a lease to the Out of School Club and the disposal of the remainder of the site would both require the specific consent of the Secretary of State pursuant to Schedule 1 of the Academies Act 2010

Proposal

7. It is proposed that the site shown edged black on the attached plan be declared surplus to the Council's requirements and that, subject to the Secretary of State consent, (i) a lease of the area shown hatched is granted to the Out of School Club, and; (ii) the remainder of the site is disposed of for residential development. The detailed terms of the disposals will be the subject of a further report.

Recommendation

8. It is recommended that Cabinet declares the property, shown edged black on the attached plan, surplus the Council's requirements; and subject to the specific consent of the Secretary of State:

- (i) Authorises the Strategic Director, Corporate Services and Governance to negotiate the grant of a lease of the building shown hatched on the attached plan; and
- (ii) Authorises the Strategic Director, Corporate Services and Governance to dispose of the remainder of the site.

For the following reason:-

To manage resources and rationalise the Council's assets in line with the Corporate Asset Strategy and Management Plan.

Consultation

- 9. In preparing this report consultations have taken place with the Leader, Deputy Leader and the Cabinet Members for Housing. The Ward Councillors for Whickham North have also been consulted and have raised no objections to the proposal.

Alternative Options

- 10. The option of retaining the property has been discounted as the school has been moved to new premises and no alternative use could be identified. Retaining the property would prevent the Council achieving the maximum capital receipt for its asset

Implications of Recommended Option

- 11. **Resources:**
 - a) **Financial Implications** - The Strategic Director, Corporate Resources confirms that grant of a lease is expected to produce a rental income and the disposal of the remainder of the property is expected to generate a capital receipt for the Council.
 - b) **Human Resources Implications** - There are no implications arising from this recommendation.
 - c) **Property Implications** - The grant of a lease of part and the future disposal of the remainder of the property will result in a reduction in the Council's overall property portfolio thus reducing operational costs.
- 12. **Risk Management Implication** - The future disposal of this property will remove opportunities for vandalism to a vulnerable empty property.
- 13. **Equality and Diversity** - There are no implications arising from this recommendation.
- 14. **Crime and Disorder Implications** - The future disposal of this property will remove opportunities for crime and disorder, especially vandalism and theft.
- 15. **Health Implications** - There are no implications arising from this recommendation.

16. **Sustainability Implications** - The future disposal of this property will reduce the level of the Council's operational costs, including gas and electricity use, which will subsequently result in a reduction in the Council's carbon footprint.
17. **Human Rights Implications** - There are no implications arising from this recommendation.
18. **Area and Ward Implications** – Whickham North in the Inner West area.
19. **Background Information** - None