

**TITLE OF REPORT:** Land at Winlaton Mill (Ground Lease for Land of Oak and Iron Visitor Centre)

**REPORT OF:** Mike Barker, Strategic Director, Corporate Services and Governance  
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### **Purpose of the Report**

1. To seek approval to the disposal of land at Winlaton Mill, by way of 99 year ground lease at less than best consideration, to Groundwork North East and Cumbria ('Groundwork'), for a development of a Visitor Centre for the Land of Oak and Iron Project.

### **Background**

2. At its meeting on 12 July 2016 Cabinet approved the principle of a disposal at less than best consideration to support the project: Minute No.C51(2016). The Service Director, Legal, Democratic and Property Services considers the market value of the land to be £269,500. It is proposed that the Council foregoes the capital receipt for the land in lieu of a contribution to the development of the Visitor Centre.
3. Terms have been provisionally agreed as set out in the attached appendix.

### **Proposal**

4. It is proposed that a 99 year ground lease at nil rent be granted to Groundwork to facilitate the development of the Visitors Centre.
5. The lease will include provisions for Groundwork to complete the development of the Visitor Centre within two years of the lease commencement.
6. The lease will contain a provision allowing the lease to be terminated should future funding applications necessary for the project to proceed be unsuccessful.

## **Recommendations**

7. It is recommended that Cabinet approves the disposal of the land at Winlaton Mill on the terms set out in the appendix 1.

For the following reasons:

- (i) To manage resources and rationalise the Council's assets in line with the Corporate Asset Strategy and Management Plan;
- (ii) To deliver meaningful long term benefits to rural Gateshead and raise the profile of the area to potential visitors

## APPENDIX 1

### Policy Context

1. The proposed disposal is consistent with the overall vision for Gateshead as set out in Vision 2030 and the Council Plan: in particular creating conditions for economic growth and capacity through volunteering and community cohesion.
2. The proposal accords with the provisions of the 2015 update of the Corporate Asset Strategy and Management Plan 2015-2020. In particular, the rationalisation of the estate and support of the voluntary sector.

### Background

3. The land at Winlaton Mill, which is shown edged black on the attached plan, has been identified as a suitable location for a Visitor Centre for The Land of Oak and Iron Project. There is existing car parking which will be utilised and expanded. It also provides good accessibility to walking and cycling routes and is within close proximity to the A1. The land is currently held by the Council for the benefit improvement and development of the borough pursuant to section 120(1) (b) of the Local Government Act 1972.
4. At its meeting on 12<sup>th</sup> July 2016 the land was declared surplus by Cabinet who also approved in principle the grant of a ground lease at less than best consideration subject to the agreement of terms (Minute No. C51 (2016)).
5. The land comprises a car park and open space extending to 9858 sq m (2.44 acres) and the Service Director, Legal, Democratic and Property Services considers the market value of the land to be £269,500. It is proposed that the Council foregoes the capital receipt for the land in lieu of a contribution to the development of the Visitor Centre. The Council has authority to dispose of land at an undervalue by virtue of the provisions of the General Disposal Consent (England) 2003 (the General Consent) which gives local authorities the power to dispose of land at less than best consideration provided the disposal does not represent an undervalue of more than £2,000,000 and that it is likely to contribute to the achievement of the promotion or improvement of the economic, social or environmental well-being of the borough.
6. Groundwork requires circa £1,300,000 of funding for the construction of the Visitor Centre and associated car-parking. The funding will be provided by several funding bodies and will be assessed in stages. The decision on whether the funding bid for the final stage has been successful will be made by July 2017.
7. Groundwork has advised that the funding body, the Strategic Economic Infrastructure Fund (SEIF), have made it a condition of the grant that the lease needs to be completed by 28 October 2016.
8. Should the funding application be unsuccessful and the project unable to proceed then the Council and Groundwork have agreed to terminate the lease by way of surrender.

## **Consultation**

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

## **Alternative Options**

10. The alternative option of retaining the land at Winlaton Mill has been discounted as it is considered a better use could be made of the land following the development of the Visitor Centre.

## **Implications of Recommended Option**

### **11. Resources:**

- a. **Financial Implications** – The Strategic Director, Corporate Resources confirms that there are no revenue implications as a result of granting the proposed lease; however it does forego a potential capital receipt of £269,500.
- b. **Human Resources Implications** - There are no human resource implications arising from this report.
- c. **Property Implications** – The disposal of this land will result in a reduction in the Council’s overall property portfolio thereby reducing operational costs.

12. **Risk Management Implication** – There are no additional risk management implications arising from this report.

13. **Equality and Diversity Implications** – There are no equality & diversity implications arising from this report.

14. **Crime and Disorder Implications** – The disposal of this land will remove opportunities for crime and disorder on vacant land.

15. **Health Implications** – There are no health implications arising from this report.

16. **Sustainability Implications** – The redevelopment of the site will provide modern energy efficient accommodation and bring back into use a site which has largely remained unused.

17. **Human Rights Implications** – There are no human rights implications arising from this report.

18. **Area and Ward Implications** – Winlaton and High Spen in the West area.

19. **Background Information** – Minute Nos. C268 (2007); C207 (2015); C242 (2016); C51 (2016)