

# North Tyneside Council

## Report to Cabinet

Date: 17<sup>th</sup> October 2016

### ITEM 7(d)

Title: Land at Ropery Lane, Rosehill, Wallsend

Portfolio(s): Regeneration

Cabinet Member(s): Mrs Norma Redfearn, the Elected Mayor

Report from Service Area:

Commissioning and Investment

Responsible Officer:

Mark Longstaff, Head of Commissioning and Investment

Tel: (0191) 643 8089

Wards affected:

Riverside

## PART 1

### 1.1 Executive Summary:

This report details a proposal to surrender and renew an existing ground lease between the Authority and Persimmon Homes. This lease relates to land which is the site of the residential estate centred around the streets of Bamburgh and Helmsley Drives in Rosehill, together with adjacent vacant land north of Ropery Lane.

The renewal of the lease will facilitate the potential development of new homes by Persimmon on part of the land north of Ropery Lane as a final phase of the Rosehill Neighbourhood Regeneration Scheme.

It will also allow provisions to be incorporated into the new lease to protect two areas of land from future development where two blocks of flats were recently demolished by the Authority at Bamburgh and Helmsley Drives. This will help to maintain the renewed amenity of the area for the benefit of local residents.

This report therefore asks Cabinet to authorise officers to conclude negotiations for the surrender and renewal of the lease. Once final terms have been agreed for the new lease, these can then be considered for further approval in accordance with the recommendations set out in Section 1.2 of the report.

### 1.2 Recommendation(s):

It is recommended that Cabinet:

- (1) authorise the Head of Commissioning and Investment in consultation with the Head of Law and Governance and the Head of Finance (as Section 151 Officer), to conclude negotiations for the surrender and renewal of the lease relating to land at Rosehill between the Authority and Persimmon Homes;

(2) authorise the Head of Commissioning and Investment in consultation with the Chief Executive, the Head of Law and Governance, the Head of Finance (as Section 151 Officer), and the Elected Mayor to agree the final terms of the new lease, in accordance with all relevant legal requirements, the Authority's Constitution and Financial Regulations, and;

(3) authorise the Head of Commissioning and Investment to deal with all ancillary matters arising that are consistent with the preceding recommendations.

### **1.3 Forward Plan:**

Twenty eight days notice of this report has been given and it first appeared on the Forward Plan that was published on 8<sup>th</sup> August 2016.

### **1.4 Council Plan and Policy Framework**

This report relates to the following priorities in the 2014-2018 Our North Tyneside Plan: Our Places will:

- Be places that people like living in and will attract others to either visit or live

### **1.5 Information:**

#### **1.5.1 Background**

In 2006, the Authority took the step of initiating a multi agency group to consider ways in which to tackle increasing problems of anti-social behaviour and criminal activity within the southern area of Rosehill in Wallsend.

The Group is known as the Rosehill Residents Action Group and has a membership made up of the Riverside Ward Councillors, local residents representatives, Northumbria Police Authority, the Tyne and Wear Fire and Rescue Service and officers of the Authority.

Since 2006, the Group has been instrumental in delivering the Rosehill Neighbourhood Regeneration Scheme. To date the Scheme has successfully secured the following positive outcomes for the benefit of local residents:-

1. The former Northumberland Arms Public House was purchased from the Authority by Gleeson Homes and has subsequently been redeveloped with 23 private homes. This has led to an improved residential tenure mix in the locality.
2. The Authority has recently completed the acquisition of 36 flats within two blocks of properties at Bamburgh Drive and Helmsley Drive and these have now been demolished. Many of these properties were owned by absentee landlords who let them out to tenants.

The lack of robust management by many of the flat owners resulted in problems of extreme anti social behaviour with the danger of causing a downward spiral of decline across the local area.

Funding for the acquisition of these properties was secured through an agreed allocation of Authority capital funding, together with funding secured from the Homes and Communities Agency.

### 1.5.2 Current Position

It is now proposed to renew an existing ground lease between the Authority and Persimmon Homes covering the land shown by dark outline on the plan attached as an Appendix to this report.

The leased area covers the site of the residential estate centred around the streets of Bamburgh and Helmsley Drives, together with adjacent vacant land north of Ropery Lane. It is for a period of 99 years from 1966, and is subject to a current rent of £1,326 per annum.

The renewal is required so that the length of the new lease will be sufficiently long to allow for the possible development of new homes by Persimmon on the area of vacant land north of Ropery Lane, as shown hatched on the plan. The limited time left on the existing lease currently makes it unviable to build new homes.

The original planning permission granted in 1966 for the development homes in this location related to 134 dwellings across the entire leased area. However, only 73 of the homes were completed at that time.

The lease renewal will also allow new provisions to be incorporated to protect the two areas of land from future development where the blocks of flats were recently demolished. This will help to maintain the renewed amenity of the area for the benefit of local residents.

It is proposed that the renewal will be subject to an initial premium payment which will provide a General Fund capital receipt for the Authority. In addition to this, negotiations will proceed on the basis of incorporating a ground rent equal to the level of the current ground rent within the new letting arrangements.

It is considered that the potential development of the land at Ropery Lane will contribute towards the further improvement of the locality as a final phase of the Neighbourhood Regeneration Scheme. It will also increase the number of residential units delivered in the area which was a requirement linked to the funding received from the Homes and Communities Agency.

In order to further protect the amenity of residents living at Helmsley Drive and Bamburgh Drive, the new lease will only allow Persimmon to access any new development from Ropery Lane rather than through the existing housing estate. Development will also be strictly restricted to the area shown hatched in order to ensure that it is a suitable distance from the rear boundaries of existing properties located along the southern side of Rosehill Road.

It is therefore proposed that the Authority negotiates the surrender and renewal of the lease to meet the objectives detailed above.

## **1.6 Decision options:**

The following decision options are available for consideration by Cabinet:

### Option 1

Cabinet may approve the recommendations at paragraph 1.2 of this report in which case the proposal to renew the lease with Persimmon Homes can be progressed.

### Option 2

Cabinet may choose not to approve the recommendations at paragraph 1.2 of this report in which case the proposal to renew the lease with Persimmon Homes cannot be progressed.

Option 1 is the recommended option.

## **1.7 Reasons for recommended option:**

Option 1 is recommended as the renewal of the lease will help protect the amenity of residents living at Bamburgh and Helmsley Drives. It will also assist in bringing forward the potential development of new homes off Ropery Lane.

## **1.8 Appendices:**

Appendix: Site Plan

## **1.9 Contact officers:**

Niall Cathie, Strategic Property Manager, tel. (0191) 643 6517

Vicki Dixon, Senior Manager, Investment and Commercial Finance, tel. (0191) 643 5723

## **1.10 Background information:**

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

Lease dated 17<sup>th</sup> March 1966 relating to land at Rosehill Road between the Authority and Persimmon Homes.

## **PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING**

### **2.1 Finance and other resources**

Any capital receipt generated from the renewal of the lease will form part of the Investment Plan within the General Fund.

In addition to this, negotiations will proceed on the basis of incorporating a ground rent equal to the level of the current ground rent within the new letting arrangements.

### **2.2 Legal**

The surrender and subsequent renewal of the lease will be progressed and completed in compliance with the Authority's Financial Regulations and applicable legislation.

### **2.3 Consultation/community engagement**

#### **2.3.1 Internal Consultation**

The Strategic Property Group cleared this matter to progress towards formal approval at its meeting held on 14<sup>th</sup> October 2015.

The Riverside Ward Members have been briefed on this matter and are supportive of the proposal.

#### **2.3.2 External Consultation/Engagement**

The Rosehill Multi Agency Group has had meetings to discuss the progress with the Regeneration Scheme since 2006.

### **2.4 Human rights**

There are no human rights issues directly arising from this report.

### **2.5 Equalities and diversity**

There are no direct equality implications arising from this report.

### **2.6 Risk management**

There are no risk management implications arising from this report.

### **2.7 Crime and disorder**

Crime and disorder issues will be considered as part of the planning process in respect of any proposed residential development.

### **2.8 Environment and sustainability**

Environment and sustainability issues will be considered as part of the planning process in respect of any proposed residential development.

### PART 3 - SIGN OFF

- Deputy Chief Executive  x
- Head(s) of Service  x
- Mayor/Cabinet Member(s)  x
- Chief Finance Officer  x
- Monitoring Officer  x
- Head of Corporate Strategy  x