Date:

4 February 2015

My Ref:

MON/TAH

Your Ref:

Contact: Mr M O'Neill Direct Dial: 01275 884441

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Property & Asset Management

Corporate Services North Somerset Council Town Hall Walliscote Grove Road Weston-super-Mare **BS23 1UJ**

DX 8411 Weston-super-Mare

Dear Sir

S123, PART 7, LOCAL GOVERNMENT ACT 1972 WINTER GARDENS, ROYAL PARADE, WESTON SUPER MARE **WESTON COLLEGE - LAW & PROFESSIONAL SERVICES CENTRE**

I am writing with regard to proposals for my Council to transfer its freehold interest in the property known as The Winter Gardens, Royal Parade, Weston-super-Mare to Weston College of Further and Higher Education (Weston College) for the sum of £1.00 as part of supporting regeneration and economic development via the facilitation of the College's provision of a new Law & Professional Services Centre within the town centre. This letter requests Secretary of State Consent under S123 of Part 7 of the Local Government Act 1972 as a disposal at less than best consideration.

Please find enclosed a plan showing the extent of the Winter Gardens property edged red. The property comprises, approximately, 4,730 sq M of space in total and consists of an original Ballroom with restaurant/café/bar/offices constructed in the 1920s with a rear extension built in 1989 comprising a further bar/café, along with a number of meeting/conference rooms. The property is currently leased to a tenant who operates it as a commercial leisure facility with community access. This Lease will be terminated by agreement prior to the transfer of the freehold interest to Weston College. The site upon which the Winter Gardens sits was acquired under Public Health Acts in the 1920s for the purpose of constructing a Winter Gardens Pavilion and has since been appropriated for leisure & community use.

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S123, Part 7, Local Government Act 1972 Winter Gardens, Royal Parade, Weston-super-Mare Weston College – Law & Professional Services Centre

By way of background, as part of the West of England Local Enterprise Partnership bid process for Skills Capital Projects for 2015/16, Weston College and North Somerset Council jointly promoted an application for the creation of a Law & Professional Services Centre within these premises. The West of England Strategic Economic Plan (SEP) submitted to Central Government last year prioritised skills and learning as one of the key pillars supporting economic growth and jobs in the West of England. Accordingly, the bid fit within the Weston-super-Mare Town Centre Regeneration and the Enterprise Area Investment Programmes. Furthermore, Weston-super-Mare is a significant growth centre within the West of England providing 9,000 homes in total, incorporating one of the five Enterprise Areas at J21. Weston College is an outstanding learning provider contributing to the skills needs of West of England and beyond such as Hinkley.

The Law & Professional Services Centre will be an inspirational learning centre serving as a flagship enterprise to provide industry recognised vocational pathways into employment. The Centre will provide state-of-the-art flexible teaching spaces to accommodate the employability needs of the sector, with curriculum themed spaces. These will include dedicated meeting and conference space, to accommodate high profile employer and professional association events. The Project aims to support the national, regional and local strategic initiatives to address the skills gap, so that new entrants and current employees have the necessary skills and employability training to succeed in this key sector. Please find enclosed sketch drawings illustrating the proposed alterations to the property to accommodate the above proposals. These proposals will be subject to Planning Consent, an application for which will be submitted by Weston College shortly.

The above proposals will also form an important part of Weston College's future proposals to enhance its already significant contribution to Higher Education in the South West. This is convergent with the Council's vision for learning at all levels to be available locally, including a major Higher Education focus.

Applying skills and learning as critical drivers for economic growth and development has led to an ambitious vision for the town centre aimed at significantly boosting the scale and pace of commercial investment and development activities to help realise its full potential and to address opportunities for jobs and growth in an area that experiences significant levels of disadvantage and deprivation. The Wards that make up the town centre fall within the worst 2% within the national deprivation indices including, for example, those living within the Central Ward having a life expectancy of 71.1 years, the lowest within North Somerset and significantly lower than the North Somerset average of 81.1 years.

This approach is in line with national policy guidance and industry views on the future of town centres and crucially puts "Learning" as one of the key drivers for regeneration.

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S123, Part 7, Local Government Act 1972 Winter Gardens, Royal Parade, Weston-super-Mare Weston College – Law & Professional Services Centre

The emerging Town Centre Vision is focused around "Quality Living, Learning and Lifestyle" and expects by 2024 Weston-super-Mare Town Centre to be:-

A major centre for *urban living* which showcases the best in high density residential living - creating a new community which will, in turn, help grow and sustain new shopping, leisure and cultural facilities.

A *learning* hub recognised nationally as a centre of excellence for Higher and Further Education, providing students and professionals with high quality study, accommodation and lifestyles built around a new University Centre Campus.

Living and learning will be the pillars that sustain a *quality lifestyle* for those who live, work or visit the town centre

The Law and Professional Services Academy and its supporting business case was, therefore, presented in this wider context and vision pinned around driving forward town centre regeneration. This exciting and ambitious approach was accepted at the LEP and the Strategic Leaders Boards, who welcomed the approach taken as part of their recent decision to award the necessary funding.

The total award from LEP funding for the Winter Gardens Project amounted to £14.9 M for which the LEP require an element of match funding. As part of the Council's support for the Project, the Council made a decision at its meeting on 13 January 2015 to transfer its freehold interest in the property to Weston College for the sum of £1.00 with the asset to act as match funding for the Project, provided that existing community access/use of the property is protected. Please find enclosed a copy of the relevant Council report. The transfer will, therefore, be subject to Restrictive and Positive Covenants restricting and requiring the use of the property to education and community purposes with other ancillary uses including the provision of catering and food and drink use. The Positive Covenant will include provisions for the Council to be able to call for access to the property for the continuation of community uses in keeping with the principal use as an education centre. The Council will also enjoy a right of pre-emption should the College ever sell the freehold or grant a long Lease or cease to operate the property for educational/community purposes.

Notwithstanding that the value of the asset is being used as match funding to the LEP award, the Council recognises that the transfer of the freehold interest for £1.00 represents a disposal at less than best consideration for which Secretary of State Consent is required under S123 of Part 7 of the Local Government Act 1974.

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S123, Part 7, Local Government Act 1972 Winter Gardens, Royal Parade, Weston-super-Mare Weston College – Law & Professional Services Centre

As part of considering this process, the Council's Valuers have provided two separate Valuations, firstly a Depreciated Replacement Cost Valuation in the sum of £11,077,000 and, secondly, a Market Valuation in the sum of £5,600,000. The former represents the book value for which the asset is currently held in the Council's accounts as a specialised asset for which no market exists for the current use. The latter represents the market value of the asset in accordance with RICS guidance. Copies of both Valuation Reports are enclosed. As you will note, both Valuations exceed the threshold covered by the Local Government Act 1972 General Disposal Consent (England) 2003.

The disposal of the freehold interest in the Winter Gardens asset will help to secure the promotion and improvement of the economic, social and environmental wellbeing of the town centre and the wider town and district for the reasons stated above and, therefore, the Council considers that a specific Consent under S123, Part 7 of the Local Government Act 1972 would be quite appropriate. The proposal is also in accordance with Government policy for Local Authorities to identify assets for release/ reuse for the wider benefit of the community.

Hopefully, you will have all the information necessary to reach a decision within the various enclosures but, if you need anything further, or should wish to discuss the matter in more detail, please do not hesitate to contact me. In the meantime, it would be extremely helpful if you were able to provide me with an indication as to the process and the likely timescale for a final decision to be reached.

Thanking you in anticipation of your assistance in this matter.

Yours faithfully

M O'Neill MRIGS

PROPERTY ESTATES & REGENERATION MANAGER

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