

Report



Cabinet Member for Infrastructure and Assets, Cabinet Member for Climate Change and Biodiversity

Part 1

Date: 2 February 2024

Subject Tredegar Park Freehold

Purpose To seek approval from the Cabinet Members to acquire the freehold interest of Tredegar Park in order to support further development of the site as part of the investment offered through SPF funding and secure the site, and its assets, for public use and enjoyment, beyond the remaining term of the lease.

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Ward Gaer

Summary Tredegar Park is currently leased to the Council with lease conditions for public recreation determined 60 years ago. This report sets out the proposal to purchase the reversionary Freehold interest of Tredegar Park through Cabinet Member approval, funded by the Shared Prosperity Fund (SPF). The Local Investment Plan for SPF has allocated funding for Tredegar Park, under the 'Communities and Place' investment priority.

This proposal will allow the Council to develop the use of the park and improve facilities.

Proposal To purchase the revisionary freehold interest of Tredegar Park utilising Shared Prosperity Funding

Action by Head of People, Policy and Transformation
Head of Environment and Public Protection

Timetable Immediate

This report was prepared after consultation with:

- Head of Finance – Chief Finance Officer
- Head of Law and Standards – Monitoring Officer
- Head of Regeneration & Economic Development
- Newport Norse

Signed

Background

The Shared Prosperity Fund (SPF) is the programme introduced by the UK Government to replace previous regional funding received from the European Union. It is a tripartite fund focused on three core priorities – Community and Place, Supporting Local Business, and People and Skills. Following public consultation, local priorities for investment in Newport between the three priority themes were developed into a Local Investment Plan and approved by Cabinet in May 2023. The Local Investment Plan has allocated funding for Tredegar Park, under the ‘Communities and Place’ investment priority.

In 1963, Newport City Council (NCC) entered into a 99 year lease with Eagle Star Insurance Company Limited for the purpose of utilising Tredegar Park (approximately 50.12 acres) for public recreation and playing fields (attached). The passing rent was fixed for the term and set at £225 per annum. In 1967, NCC entered into a Supplemental Deed for 95 years for an additional 6.54 acres of land located on the north bank of the River Ebbw on the same terms as if the property had been included and demised within the original Lease.

Throughout the term of the Lease, the way in which recreation is undertaken at the park has changed significantly and most of today’s common recreational uses are not permitted under the terms of the Lease. As these activities have widened and the range of recreation within the park increased, NCC have sought to amend the Lease to permit modern uses but it has not been possible to agree changes to date. This proposal offers a way forward through purchase of the freehold using SPF funding.

The project is based on improving facilities at Tredegar Park to promote the park as a destination hub and inclusive leisure space. The purchase of the freehold is seen as a key step to enable the development and following engagement with the current landlord an initial agreement has been reached for transfer of the lease.

Total projected cost (acquisition price, land transaction tax and third party fees) included as part of the SPF proposal is 517k, with the sale to be completed this year.

Engagement with residents was identified as a key priority of the SPF work to ensure that people are on board with the proposals, and that they have enough opportunity to engage and share their views. The Parks team carried out a comprehensive public consultation exercise to help shape proposals. Overall, the survey responses reflect a strong community interest in enhancing Tredegar Park's recreational offerings.

Proposal

Following the approval of the Local Investment Plan which identifies priority projects for SPF funding, NCC have entered into negotiations with the Landlord in order to seek agreement to purchase the reversionary Freehold interest in the site.

The amount agreed is **£500,000** which the Council has been advised represents best value for the purchase of the asset and will allow the Freehold to be acquired resulting in the restrictive Lease to NCC falling away, with the Council gaining full control and ownership of the land. The extinguishment of the Lease will provide a small saving for the Council as they will no longer be liable to pay the annual rent and will alleviate any Landlord consenting issues in relation to alternative recreational and commercial uses.

At the Landlord’s request, any acquisition would be conditional, subject to a restriction on use prohibiting the Council to undertake any major development on the land such as large scale stadia for spectator sports.

Headline Terms and Costs

Acquisition Price	£500,000.00 (excluding VAT)
Land Transaction Tax	£12,750.00
Third Party Legal Fees	£3,000.00 plus VAT
Third Party Surveyor’s Fees	£1,000.00 plus VAT

TOTAL**£516,750.00**

The acquisition, funded by SPF will help transform Tredegar Park into a destination park for Newport and the surrounding areas. It will also help widen the recreational and commercial offering (subject to planning) that can be delivered at the park.

There is agreement to revisit the land to the north of River Ebbw (at nil consideration) which will take place following approval of this Report.

Financial Summary

SPF funding for Tredegar Park was allocated in the Local Investment Plan which was approved by Cabinet in May 2023 following public consultation on the priorities.

Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
The Council fails to deliver local projects and loses funding	M	L	NCC has entered into early negotiation with landlord and has reviewed heads of terms	Head of EPP
The Council does not proceed with purchase and lease is not renewed	H	M	Landlord could lease to third party in 2062. Could restrict future public use of the park. Could change use of the assets. Council could lose public use of assets and investments.	Head of EPP
On taking freehold the council is responsible for liability related to land inc. flooding etc.	H	M	NCC have to manage this liability on the current lease hold agreement for the next 40 years.	Head of EPP
If the sale does not proceed there is a financial risk with loss of income from events.	M	L	Proposed sale as outlined in this report.	Head of PPT and Head of EPP

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

This project supports the primary objective of the Corporate Plan 2022-2027 in working to deliver an ambitious, fairer, greener Newport for everyone. Specifically supporting the environment and infrastructure wellbeing objective.

Options Available and considered

1. To purchase the reversionary freehold interest of Tredegar Park utilising Shared Prosperity Funding and progress to development.
2. To not purchase the freehold and continue with the existing lease terms and associated risks.

Preferred Option and Why

We recommend that the Council proceed with the acquisition of the reversionary Freehold interest in order to realise continual recreational and commercial benefit.

Comments of Chief Financial Officer

The proposal is to utilise the Shared Prosperity Fund (SPF) to finance the acquisition of the freehold of Tredegar Park, which the Council is currently leasing for an annual amount of £225. This investment, which is estimated to cost £517k in total, would allow the Council greater opportunity to manage and promote park usage in a less restrictive way than the current lease allows for. The required grant funding has already been allocated within the Council's SPF Local Investment Plan, which has received Cabinet approval. There is a potential risk around the limited timeframe within which this funding is available, with this specific amount ideally needing to be utilised by 31st March 2024. However, it is anticipated that the acquisition should be possible to complete before that deadline.

In addition to the risk regarding the grant funding timescales, there is also a requirement for the VAT treatment of the associated expenditure and income, following acquisition, to be carefully considered. This is important so as to not inadvertently impact the Council's annual partial exemption calculation and affect the Council's ability to reclaim VAT subsequently. Relevant officers will need to take the necessary advice regarding the ongoing tax treatments and implement any changes as advised.

Comments of Monitoring Officer

The Council is at liberty, should it so resolve, to purchase this land as suggested in the report. The title of the property would be checked as part of the conveyancing process which would reveal any legal implications relating to the land, for example, local land charges or restrictive covenants. It is noted that any purchase is likely to be subject to a covenant preventing certain types of development and the Council would be bound by such restriction for an indefinite period of time, along with any other covenants to which the freehold is subject (which would be revealed by the review of the title referred to above). The Council should therefore satisfy itself that any prevailing covenants or other restrictions on the use of the land are not inconsistent with the proposed use of it.

Comments of Head of People Policy and Transformation

The report seeks approval from the Cabinet Members to acquire the freehold interest of Tredegar Park to support further development of the site. This is possible via investment achieved through a successful SPF funding bid.

This project supports the primary vision of the Corporate Plan 2022-27 in working to deliver an ambitious, fairer, greener Newport for everyone; specifically supporting the environment and infrastructure well-being objective. The Well-being of Future Generations (Wales) Act 2015 and its five ways of working has been considered to ensure the project serves the long-term benefit of the public alongside the balance of short-term needs and can have a positive effect on physical and mental well-being preventing future issues. A public consultation has also taken place to ensure any plans for the site have the backing of the public, with strong community interest and feedback received.

There are no direct HR implications associated with the report.

Comments of Non-Executive Members

Councillor Fouweather:

I would support this report, but I believe that the following should be implemented -

1. That no part of the park can be sold by the council for development of housing.
2. The report stated that the council will make a saving with this proposal. Therefore, I believe that the car parking charges should be removed as these can be seen as a barrier to some sections of the community.
3. The council should consider encouraging more groups to use the park for sporting and fitness activities because they now have the power to make any necessary adjustments. The removal of the parking fees would also encourage groups to use the park.

Response:

1. The Council is committed to the use of the area for recreational purposes and the proposed investment supports this. The land is designated in the Local Development Plan as Environmental Space.
2. The income from car parking is critical to cover the ongoing maintenance of the park and its facilities and is far in excess of the lease saving. As such this proposal would not allow the removal of car park charges.
3. Engagement and promotion activities to ensure that residents and groups make use of the park facilities is already in place and this activity will continue in the future.

Councillor M Pimm:

I am in complete support of purchasing the freehold lease of Tredegar Park at the current asking price. As a local authority we need to do everything we can to preserve the green spaces we have and maximise their usage and enjoyment. We should also regularly communicate with the residents of Newport to ensure we are managing the area with their enjoyment at the forefront of any future development or improvements.

Response:

Thank you for your supportive comments regarding this proposal which are noted. We will ensure this are included in the final report.

Councillor Perkins:

While I support the purchase of Tredegar Park, I have some concerns about the boundaries as shown. The plans show a basically triangular shape along Cardiff Road from the river bridge up to the M4 then in an easterly direction to the river and according to the plans shown the waste land below the Railway line all the way along back to the river bridge on Cardiff Road.

My concern is the houses opposite the park overlooking the playground, have in the past raised concerns about the loss of land due to erosion by the river particularly after storms, and the change in the flow of the river due to the flood defences that were carried out after one of the new riverside houses at the Carnegie Court development lost all of its garden, exposing its foundations due to a winter storm greatly increased the flow of the river. So my concern, and where I must declare an interest beyond just as a ward councillor but as a resident of a property further down the river, is if we become the owners of this section of the river would we be responsible for any damage the river causes when in full flow.

Would Newport council have to complete flood/erosion defences all along the river where there are properties, making changes in one area of the river changes the flow further along and this may cause problems in future years.

So could you review the boundaries of the purchase and what it means to the residents of the ward who live along it.

I would like to be kept updated on these proposals and as stated I support the purchase.

Response:

Purchase of the freehold will not change the Council's current obligations in terms of flood risk management in the area.

Scrutiny Committees

None

Fairness and Equality Impact Assessment:

An FEIA has been completed and can be found on the [Council's website](#).

• **Wellbeing of Future Generation (Wales) Act**

- The proposal serves the long term benefit of the public in the best way as secures the land, the park, the assets and access for complete use of the public. It also allows the authority to manage the land to respond to public need and risk through allowing and managing the hire of areas within the site for events and activities. This balances short- term needs with the need to safeguard the ability to also meet long – term needs
- Prevention: the facilities and use of the park will directly and indirectly benefit those using the park contributing to positive mental and physical wellbeing which can be a key factor in preventing decrease in public health. The green infrastructure of the site also have a part in preventing deterioration of air quality.
- The park is a key site within the city for integration and has a significant role in maintaining a positive impact on our wellbeing objectives, our wellbeing goals, other objectives or those of other public bodies
- All of the proposals that will develop from gaining the free hold of the site will require collaboration both with other council services but also third sector organisations such as Newport Live.
- Involvement in the process has been achieved through public consultation at numerous stages of the site development. This has included through planning application consultation, active travel consultation and most recently a consultation on play and leisure activities for the park – the results of which have determined or supported the proposed developments that will be implemented as part of the SPF projects.

• **Equality Act 2010**

The proposal is fully compliant with the objectives of The Equality Act 2010 and the Public Sector Equality Duty which came into force on 06 April 2011.

• **Socio-economic Duty**

The proposal is fully compliant with the objectives of The Equality Act 2010 and the Public Sector Equality Duty which came into force on 06 April 2011

• **Welsh Language (Wales) Measure 2011**

All aspects of the works will be fully compliant with the Welsh Language Act

Consultation

Engagement with residents was identified as a key priority of the SPF work to ensure that people are on board with the proposals, and that they have enough opportunity to engage and share their views, so that any features implemented are backed by the intended users. If this is not factored in, there is a risk of public opposition or that the end result does not meet the needs of our residents. Therefore, the Parks team carried out a comprehensive public consultation exercise between 5 August to 11 September 2023, to help shape our views regarding the key elements to include as part of the improved leisure offer.

This consultation included an online survey, providing the community with an accessible platform to voice their preferences and suggestions regarding the park's potential recreational features and amenities. In addition to the online survey, two in-person consultation events were conducted on 31 August and 7 September 2023, offering residents and park users the opportunity to provide their feedback in a direct and interactive manner.

844 responses were received. Overall, the survey responses reflect a strong community interest in enhancing Tredegar Park's recreational offerings. With such high levels of investment proposed for the park it is vital that we secure the freehold of the site to protect the public assets.

Ward members have been consulted on the proposal and supportive comments received.

Background Papers

Cabinet Report May 2023 – Shared Prosperity Fund

Dated: 2 February 2024

Plan

