

AGENDA 17, ENC xii) Response from Advance Northumberland of sale of Green Lane

Dear Sarah,

Thank you for your email of 9 July regarding Advance Northumberland's disposal of the Green Lane Workshops in Ashington.

By way of introduction, my name is Chris Healy, I am Director of Developments and Investments at Advance Northumberland, having joined the organisation in March this year. I have strategic oversight of our commercial property portfolio and lead on the delivery of new developments and investment activity across the county. I don't believe we've had the opportunity to meet yet, but I hope to do so in the near future.

As you rightly noted, changes in ownership are a normal part of asset management. In this case, the Green Lane Workshops were identified for disposal as part of our 2024/25 Strategic Asset Review. Following a detailed internal process, the property was formally included in our approved disposal programme and subsequently sold to Northmount Property.

At the time of sale, some rents had not been reviewed for a considerable period. As a result, several tenants, including Ashington Town Council, were paying below-market rates. It is natural for new owners to seek to align rents with market values, as Advance Northumberland would have done had we retained the asset.

Depending on the tenancy status, rent adjustments are made either through:

- Rent reviews, as outlined in the lease agreement, or
- Lease renewals, governed by the Landlord and Tenant Act 1954.

Both processes allow tenants to present evidence of comparable rents and negotiate terms, with dispute resolution mechanisms available if needed.

The potential impact on tenants was considered carefully as part of our governance and decision-making process. As is standard practice, a detailed disposal report was prepared for our Board, which included an assessment of tenancy arrangements, lease protections, and any potential implications for existing occupiers. The Board noted that all tenants benefit from protected business tenancies under the 1954 Act, ensuring continuity of occupation and legal safeguards post-disposal.

Advance Northumberland remains committed to improving prosperity, reducing inequalities, and driving economic growth in support of Northumberland County Council. Disposing of certain assets allows us to reinvest in new projects. For example, work will soon begin on a new £15m cinema and restaurant development at Portland Park in Ashington; an initiative expected to transform the area, bring more trade to existing town centre businesses, and increase overall footfall.

We acknowledge that communication during the disposal process could have been improved and we are committed to strengthening this aspect in future programmes.

We value the Town Council's ongoing efforts to work collaboratively for the benefit of the community and look forward to maintaining a positive relationship as we continue to deliver regeneration projects in Ashington.

Kind regards

Chris Healy BSc(Hons) MRICS
Director of Developments & Investments
Advance Northumberland