

APPENDIX 1

WORLD HERITAGE SITE LEVY BRIEFING NOTE

1.0 OVERVIEW

This note outlines ING's proposals for setting up a ground rent regime across the whole of the Outline Masterplan so to provide an income stream that can self-fund the running and maintenance the harbour in the long term. There is also a commitment to transferring the benefit of the Levy and ownership of the harbour to a Community Trust.

2.0 GROUND RENT PROPOSALS

In advising ING, Savills has suggested that for the residential units the ground rents would range from £125 per unit for a one bed apartment to £250 per unit for a 4 bed house. Assuming a very low density of 532 residential units is built (outline consent exists for 1,039 units) this would produce a gross income of £100,000pa. Harbour dues (£30k) and levy charges for the commercial space (tbc) to be confirmed across the Outline Masterplan area should increase the total income available to between £150,000- £200,000. There will be a commitment within the S106 to secure these ground rent charges across the Masterplan area, with the exception of the Marine Renewables Business Park (this is a public sector facility which is which secured approximately £15m of public sector money for infrastructure works and heritage repairs in the area).

The Levy is to be used for running and maintenance the harbour. The maintenance of the public realm and public space areas within South Quay (and North Quay) will be paid for by way of a standard service charge contribution from all commercial and residential owners/occupiers.

3.0 COST OF RUNNING THE HARBOUR

As mentioned in the Harbour Management briefing note ING has recently been subsidising the running of the Harbour Authority to the level of £200,000 per annum. ING is of the view that under trust ownership this could be reduced down to approximately £125,000 per annum. The reduction in running costs results in the completion of harbour infrastructure works currently underway and follows the reorganisation of the Harbour Authority which has taken place over the past year since the arrival of Mark Capon as Harbour Master. It is also proposed that ING would transfer ownership of the harbour authority with the benefit of harbour dues and levy income to a local Community Trust,

4.0 SUSTAINABLE FUTURE FOR THE HARBOUR –

As a result of the above the future revenues would comfortably exceed future costs. There will also be the potential of securing further income from Harbour Dues from future occupiers of the Marine Renewables Business Park ,spin-off trade from Wave Hub and future land interests as outlined in 6.0 below.

5.0 FUTURE COMMUNITY TRUST OWNERSHIP-

ING is committed to transferring the benefit of the Levy and the ownership of the harbour to a Community Trust. Following detailed discussions over the past 12 months Hayle Harbour Trust has confirmed interest in taking ownership of the harbour and associated interests. Whilst these discussions continue ING is prepared to state a commitment to Community Trust ownership within the S106 Agreement.

6.0 LAND TO BE TRANSFERRED TO THE COMMUNITY TRUST

ING also proposes to transfer ownership of a number of land interests to the Trust at the same time as transferring the ownership of the harbour. These may include access land to the train station, land around Cooperhouse Pool including Wilson's Pool and the Triangular Spit. These ownerships may present the Trust with the opportunity to derive some additional income.

7.0 SUMMARY

7.1 Bullet Point Summary

- World Heritage Site Levy presents the opportunity for Hayle Harbour to be maintained and run on a self-funding basis in the long term.
- Ground Rent Regime being set up across whole of ING Masterplan (excluding Marine Renewables Business Park) to pay for the running and future maintenance of the harbour.
- Separate service charge arrangements will be set up to pay for the future maintenance of the public realm and spaces within South Quay (and North Quay).
- ING committed to transferring ownership of harbour to a local Community Trust on a sustainable basis.
- Opportunity for additional land interests such as Triangular Spit and Wilson's Pool to be transferred to a local Community Trust.
- Hayle Harbour Trust has been developing these plans with ING and has confirmed interest in taking ownership of Hayle harbour on this basis.
- ING will be committing to above within the S106 agreement relevant to this application.
- This sustainable plan for Hayle Harbour protects Cornwall Council and the local taxpayers from having to step in and fund this important community asset in the future.