



ECONOMY REGENERATION AND DEVELOPMENT COMMITTEE

Wednesday, 26 January 2022

REPORT TITLE:	ACQUISITION OF FORMER CO-OP BUILDING - 100 NEW CHESTER ROAD, NEW FERRY
REPORT OF:	DIRECTOR OF REGENERATION AND PLACE

REPORT SUMMARY

This report seeks approval for a recommendation to be made to Policy and Resources Committee for the purchase of the former Co-op building (“The Property”) in New Ferry as a strategic acquisition to support the delivery of the master plan for the area. The regeneration of the town centre is a priority for the Council following the explosion in March 2017.

The Wirral Plan 2021 - 2026 has been developed and the focus covers the following five themes:

- Safe & Pleasant Communities
- Brighter Futures
- Active and Healthy Lives
- Sustainable Environment
- Inclusive Economy

This proposal, and the wider regeneration New Ferry Regeneration programme, delivers against all of the above themes. Most specifically, it will contribute significantly towards the ambitions for a thriving and inclusive economy, creating jobs and opportunities for all.

This matter affects the Bromborough ward and is key decision being a proposal for expenditure in excess of £500,000.

RECOMMENDATION/S

That the Economy, Regeneration and Development Committee recommends to the Policy and Resources Committee that that the Director of Law and Governance in consultation with the Director of Regeneration and Place, be authorised to acquire the Co-op building in New Ferry, as shown on the plan, at a price of £700,000.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 The Co-op building (“the Property”) is situated at the heart of New Ferry district centre and therefore forms a key site in respect of enabling any future redevelopment of the area to take place. The Property is shown edged red on the plan at appendix 1. The plan identifies the property as fronting New Chester Road close to the junction with Bebington Road. The property also has a frontage on to Bebington Road with the Woodhead Street car park to the rear. This purchase is recommended as this Property is key to enabling the comprehensive regeneration of New Ferry which is a strategic priority for the Council.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The Committee could decide not to acquire the Property. However, having regard to the lack of demand for retail property of that nature, the retraction of that market, the re-positioning of retail from physical stores to on-line shopping, it seems unlikely that the Property will return to retail use.
- 2.2 A search of other funding options has been undertaken but the Strategic Acquisitions Programme, is the only available source which has been identified.

3.0 BACKGROUND INFORMATION

- 3.1 The Council has consulted on the regeneration of New Ferry and has a masterplan in place and a preferred development option for the area. These propose a mix of small retail units and residential development across a range of sites in the area. These will be complimented by improvements to highway and public realm infrastructure in the area.
- 3.2 To achieve this ambition, the Council is currently acquiring (by agreement or using Compulsory Purchase Orders) a range of sites for future redevelopment. This is progressing well with a large number of properties now in council ownership.
- 3.3 The former Co-op building is at the centre of the retail area and ceased trading as a food retailer in 2016. It comprises of 1,881.29 sq metres of retail floorspace in a single storey unit on a site of 0.636 acres which dominates the retail centre. However, it separates rather than integrates the area, presenting blank gables to New Chester Road and the pedestrianized Bebington Road. The absence of active frontages creates a poor environment and is a detractor to the centre.
- 3.4 The Co-op have marketed the Property at an initial asking price of £1.25m but not attracted a buyer at that level. The vendor has recently reviewed the Property and determined that it has no future use for it. The vendor is now keen to dispose of its interest and reduced the asking price considerably. There are two tenants using a small part of the building. These are the Co-op funeral services and a local charity, but these operators remain in situ to defray security and business rates costs. It is envisaged that the site will be acquired with vacant possession. The owner has therefore approached the Council to see if there is interest in acquiring it to support the regeneration of the area. The vendor has accepted a provisional offer of

£700,000, subject to Board approval. They would like to complete within the next 8 weeks, so the acquisition will need to be completed in the financial year 2021/22 or else this regeneration opportunity may be lost. Lambert Smith Hampton, the Council's asset advisors have confirmed that the proposed acquisition price represents market value.

- 3.5 The acquisition and redevelopment of the Co-op building was originally included within the Council's bid to the Future High Street Fund (FHSF) in 2020. However, the funding that was awarded was subsequently reduced by the Ministry of Housing Communities and Local Government to approximately 70% of the original bid amount. This has meant that the intended projects have had to be scaled back and the acquisition of the Coop building could no longer be pursued using this funding.
- 3.6 The original proposal for redeveloping the Co-op building in the FHSF application involved the redevelopment of the site with 27 residential units and a small retail element.
- 3.7 The acquisition of the Property would enable the Council to remove a building of poor architectural merit that is predominately vacant with no likely future retail demand, from the retail centre. The acquisition will also enable the assembly of a larger redevelopment site (with the properties to the south and part of the Woodhead Street car park) and improve the "place" with better connectivity and higher quality of design. This would be beneficial for existing businesses and the local community. It will also provide an attractive opportunity for redevelopment, promoting future investment and residential use on this key site within the town centre.
- 3.8 There is another report on the Economy Regeneration and Development Committee for 26th January recommending a preferred developer for New Ferry. Acquisition of the Property would give the Council and appointed developer significant additional opportunities to redevelop the area for sustainable development.
- 3.9 Following consideration of this matter at the ERD Committee on 22 November 2021, the Council's independent property consultant has reviewed the Lambert Smith Hampton Valuation and advises that the acquisition of the COOP site will unlock the redevelopment potential of not only this site, but the adjacent car park land which is in Council ownership. The "marriage" of these two adjacent sites will enable a total of between 95 and 100 residential units to be provided, and this outcome fully justifies the acquisition price of the COOP in valuation terms.

4.0 FINANCIAL IMPLICATIONS

- 4.1 In February 2018 Cabinet agreed a budget for the Capital Programme and Financing for 2018 - 2021. Within the programme there was £30 million allocated to deliver the Strategic Acquisition Programme. This Strategic Acquisition Programme supports the achievement of the key economic goals as set out in the Wirral Growth Plan This acquisition of the Property aligns with the Strategic Acquisition Programme criteria.
- 4.2 Costs related to items such as acquisition, demolition, insurances, security, loss of business rate income, Stamp Duty Land Tax have been included in the Full Business Case and it is proposed that these costs are met from the Strategic Acquisitions

Programme. The proposed purchase price is £700,000, Stamp Duty Land Tax is estimated at £24,500, the rates payable are projected at £90,000 per year but subject to deductions in 21/22 dependent upon vacant rates liabilities and demolition of the building (demolition costs are estimated to be £125,700). It is proposed that the property would be demolished as soon after purchase as possible, and is estimated to take four months. The property is currently occupied by The Phabulous Community Charity Trading Hub (Phab) to defray business rates and security costs, with a modest, unstaffed unit retained by the Co-op Funeral Services to provide appropriate advertising space for its services. As vacant possession will be provided upon completion of the acquisition, the vacant rates liability will pass to the Council. However, the proposal is to demolish the building as soon as possible after the acquisition.

- 4.3 The redevelopment of this site for mixed/residential use would provide the Council with future Council tax income from any new residential units that are built. The sale of the site to a developer could also generate a capital receipt for the Council.

5.0 LEGAL IMPLICATIONS

- 5.1 The Council has the power to buy land and assets to support regeneration.
- 5.2 Further legal due diligence and input is ongoing to inform the purchase of the Property including title investigation and conveyancing.
- 5.3 Lambert Smith Hampton has carried out a valuation of the Property and confirms that the proposed purchase price represents market value.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 Internal officers to coordinate and manage all project related activities, undertake title investigation, conveyancing, financial modelling and monitoring, supplemented by an external surveying resource where necessary. These costs will be met from existing budgets.

7.0 RELEVANT RISKS

- 7.1 If the Property, given its strategic location, cannot be acquired on the terms reported it would significantly limit the Council's ability to redevelop and regenerate this part of New Ferry.
- 7.2 Redeveloping this site for residential purposes will use a brownfield site thereby helping to reduce the pressures for new housing to be built on Wirral's Greenbelt land.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 New Ferry ward members and the Member of Parliament for Wirral South support the acquisition of the Property as it will further the regeneration of the area for the local community and businesses.

8.2 The regeneration of New Ferry has a communications plan which keeps people advised of the progress through a variety of media. As the detailed site proposals emerge, public consultation will be undertaken.

9.0 EQUALITY IMPLICATIONS

9.1 There are no equality implications arising from this report.

9.2 An Equality Impact Assessment will be submitted as part of the preferred developer report later in the year demonstrating the positive impacts on equality.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 The recommendations contained within this report will remove a vacant building and replace it with a mix of retail and residential units which will be designed and built to modern standards with a focus on carbon reduction and energy efficiency in line with the Council's policies.

10.2 The regeneration proposals for New Ferry are being taken forward in line with the Council's priorities on the environment and climate change. The report on the preferred developer, coming later in the year, will set these out in detail.

11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 The acquisition and development of this property will enable the replacement of a property of low visual and commercial merit to be replaced with a new, wider development improving the area, creating new homes and jobs.

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APPENDICES

Appendix 1- Plan of the property

BACKGROUND PAPERS

Valuation advice from Lambert Smith Hampton
Negotiated heads of terms

SUBJECT HISTORY (last 3 years)

Council Meeting	Date