



POLICY AND RESOURCES COMMITTEE

Wednesday, 11 November 2020

REPORT TITLE:	COMMUNITY LAND TRUST LTD - TRANSFER OF 78-80 NEW CHESTER ROAD, NEW FERRY
REPORT OF:	DIRECTOR OF REGENERATION AND PLACE

REPORT SUMMARY

This report seeks approval to dispose of the freehold interest at nominal value to New Ferry Community Land Trust Limited (CLT), following the refurbishment and renovation of the property. This follows the purchase of the property on behalf of the CLT for the purposes of carrying out a scheme of refurbishment to bring the building back into use, using the Liverpool City Region (LCR) Combined Authority Town Centre Fund.

This matter affects the Bromborough Ward and is not a key decision.

RECOMMENDATION/S

That the Director of Law and Governance, in consultation with the Director of Regeneration and Place, be authorised to enter into a legal agreement with New Ferry Community Land Trust Ltd which requires the property to be renovated and refurbished to an acceptable standard following which the freehold of the property will be transferred to the CLT at nominal consideration subject to the recipient meeting agreed conditions.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 This legal agreement will allow for the New Ferry Community Land Trust's appointed project managers and contractors to undertake the necessary renovation works to the property.
- 1.2. The disposal is in accordance with the legal obligations and Action plan that the Council is committed to in its Grant Funding Agreement (GFA) with the LCR Combined Authority.
- 1.2 The renovation work will assist in improving the area, potentially bringing 4 self-contained apartments/flats and at least one commercial/retail unit back into use.
- 1.4 The disposal will also reduce the void and security costs incurred in holding the asset.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The Council is obliged to bring back into use this empty building as part of a Grant funding agreement that is in place with the Combined Authority and the Council.
- 2.2 The Council could resolve not to proceed with this proposal, but it would contravene the grant funding conditions which means the grant would need to be repaid.

3.0 BACKGROUND INFORMATION

- 3.1 In July 2018, the Liverpool City Region Metro Mayor, announced a new fund to revitalise town centres in the Liverpool City Region allocating £1m each to each of the combined authority's councils. The Council decided to allocate half of this funding to support regeneration activity in New Ferry. It was decided that the town centre fund would be used to support the development of a Community Land Trust (CLT) for the area.
- 3.2 On the 29 October 2019 an Officer decision was taken by the Director of Economic and Housing Growth to accept the Grant Funding Agreement (GFA) from the Liverpool City Region Combined Authority Town Centre Fund for the £1,000,000, which includes both the Liscard and New Ferry projects.
- 3.3 The Town Centre Fund was formerly launched in early 2019 with the main aim to improve the vitality and viability of our Town and District Centres by increasing local participation, well-being and inclusivity. One of the key themes for the fund is to support local stewardship through the establishment of Community Land Trusts or other stewardship models and to promote the diversification and re-use of vacant buildings in town centres. The Council decided that it would put forward a proposal for using the £0.5M from the LCR Town Centre Fund to support New Ferry Town Centre and the development of New Ferry CLT Ltd as a suitable community led organisation that was recognised as a Community Land Trust. This funding would

enable the CLT to bring an empty building back into use which would meet both the CLT and the Town Centre Fund's key aims and objectives.

- 3.4 Following the explosion and recovery response led by the Council, members of the community, including local residents and businesses came together and formed the New Ferry Community Land Trust Ltd in November 2018. Community Land Trusts (CLTs) are set up and run by ordinary people to develop and manage homes as well as other assets important to that community, like community enterprises, food growing or workspaces. A CLT must be not-for-private-profit. This means that they can, and should, make a surplus as a community business, but that surplus must be used to benefit the community. New Ferry CLT is registered as a Community Benefit Society under the Co-operative and Community Benefit Societies Act 2014.
- 3.5 The aim of the newly constituted New Ferry CLT is to work with a variety of partners: the Council, Port Sunlight Village Trust, Wirral Chamber of Commerce and the local traders group to revitalise the town centre. Its aim is also to empower the community to take ownership of empty vacant building(s) and open spaces in the area, which will not only help promote social cohesion and well-being but encourage innovative uses. Proposals also include measures to undertake environmental and public realm improvements and to facilitate seasonal events.
- 3.6 The property 78-80 New Chester Road was identified as a potential vacant building which was being marketed for sale at auction on 12 March 2020. Council officers attended the auction and successfully secured its purchase for the sum of £170,000, using the town centre fund grant. The property is vacant but comprises a three storey, corner building at the junction of Bebington Road and New Chester Road in New Ferry town centre. The property is shown edged red on the attached plan.
- 3.7 The Council has entered into a grant funding agreement with the CLT which was agreed on the 4th June 2020, which sets out the funding conditions of the grant. In summary, the CLT will deliver this project, whilst the Council will act as the accountable body for the fund and is responsible for making grant payments to the CLT and claiming this funding back from the Combined Authority.
- 3.8 The building, 78-80 New Chester Road is to remain in the Council's ownership until the works have been completed to an acceptable standard, following which, in accordance with the grant conditions, it will be transferred to the CLT for nominal a consideration.
- 3.9 The CLT has recently appointed a project manager to manage the works on their behalf and surveys and investigations on the property are currently being undertaken. Once the specification for the renovation works is agreed, the Council would enter into an agreement with the CLT which requires them to undertake the works, with the freehold being transferred to them on completion.
- 3.10 All works must be completed by the end of September 2021, in accordance with the completion date for the Town Centre Fund.
- 3.11 Although the scheme, including the acquisition and renovation costs, is being funded by the LCR grant, under s123 of the Local Government Act 1972, except with the consent of the Secretary of State, the Council shall not dispose of land for a

consideration less than the best reasonably obtainable. The Secretary of State has issued the General Disposal Consent (England) 2003 (“the General Disposal Consent”) which applies where:

- a) the Council consider the purpose of disposal is likely to contribute to the achievement of any one or more the following in respect of any part of its area of any persons resident in its area (i) promotion or improvement of economic well-being; (ii) promotion or improvement of social well-being; (iii) promotion or improvement of environmental well-being and in addition
- b) the difference between the best price as assessed in line with the guidance in the consent and the price to be paid is not in excess of two million pounds.

3.12 It is considered that that the terms of the disposal meet the terms of the General Disposal Consent because the disposal will enable the Community Land Trust to renovate the property, benefitting from the income it achieves which it will use within the community. This proposal will promote or improve the economic and social well-being of New Ferry and its surrounding area in the interests of its residents.

3.13 The market value of the property is considered to be £170,000, reflected by the price paid at auction. The proposal to sell at a nominal consideration is therefore within the threshold of the General Disposal Consent.

4.0 FINANCIAL IMPLICATIONS

4.1 The disposal will not result in a Capital receipt for the Council as it will be transferred at a peppercorn value.

4.2 The purchase of the building has been funded through external funds using the Town Centre Fund Grant.

4.3 Any future occupiers of the building will have to pay Council Tax or business rates as appropriate, which will generate future income for the Council.

5.0 LEGAL IMPLICATIONS

5.1 The Council is obligated to bring back into use this empty building as part of a grant funding agreement that is in place with the LCR Combined Authority.

5.2 As the report sets out, the proposal is to sell at an undervalue which is justified by the terms of the General Disposal Consent.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 There are no IT or staffing implications arising from this report.

6.2. On completion of the disposal, the CLT will become the legal owner of the building and will assume full responsibility for its maintenance and running costs.

7.0 RELEVANT RISKS

7.1 Should the CLT be unable to complete the works, then the building will remain in Council ownership and the grant would have to be repaid.

8.0 ENGAGEMENT/CONSULTATION

8.1 Officers have been supporting the CLT since its inception and have been engaging with them on a regular basis to ensure that the project remains on track to be delivered.

9.0 EQUALITY IMPLICATIONS

9.1 The property will be renovated in accordance with DDA standards by the CLT on behalf of the community that it represents. There are no equality implications arising from this report.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 The transaction will result in the re-use of this vacant property and its refurbishment to current energy efficiency standards. The Trust has been made aware of the of the Council's ambitions in respect of the environment and the climate.

REPORT AUTHOR: **Steve McMorran**
(Steve McMorran)
telephone:
email: stevemcmorran@wirral.gov.uk

APPENDICES

Site plan

BACKGROUND PAPERS

Liverpool City Region Report Approving the Town Centre Fund 26 July 2019

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Officer Decision form – Liverpool City Region Town Centre Fund	29 October 2019