

Albion Square, Whitehaven: Disposal of Land

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| EXECUTIVE MEMBERS: | Councillor Phil Greateorex, Portfolio Holder for Regeneration and Councillor Gillian Troughton, Portfolio Holder for Finance and Resources |
| LEAD OFFICER: | Julie Betteridge, Head of Regeneration and Community |
| REPORT AUTHOR: | Clinton Boyce, Legal Services Manager |

WHAT BENEFITS WILL THESE PROPOSALS BRING TO COPELAND RESIDENTS?

The Albion Square regeneration project is a new office development in Whitehaven town centre which will environmentally improve part of the town centre and should, through increasing the number of people working in the town centre, increase footfall and turnover within town centre businesses. Energy Coast West Cumbria (Properties) Limited ('ECWC') is now facilitating the development. To enable the land within the project site to be consolidated into one ownership and to enable the development to proceed it is necessary for the Council to transfer its land ownerships within the site to ECWC.

WHY HAS THIS REPORT COME TO THE EXECUTIVE?

Contract Procedure Rule 28.8 requires disposals at less than best consideration, where the value of the land is between £100,000 and £250,000, to be approved by the Executive. One of the areas of land to be transferred is within this band.

RECOMMENDATIONS:

- (a) That the land shown as area A on the plan attached to this report be transferred to ECWC for £1 provided that the Furness West Cumbria New Vision Urban Regeneration Company Limited or successor body confirm that they will not require any claw back of grant previously provided to facilitate the original purchase by the Council;
- (b) That should the Executive approve (a), and subject to the Council acquiring the land, that the action proposed to be taken by the Legal Services Manager in approving the disposal of the land shown as area B on the plan attached to the report to ECWC for £1 and subject to the same condition as in (a) be noted; and

- (c) That should the Executive approve (a) that the action proposed to be taken by the Legal Services Manager in consultation with the section 151 officer in approving the disposal of the land shown as area C on the plan attached to the report to ECWC for £43,000 be noted.

1. INTRODUCTION

- 1.1 The Albion Square project is a key regeneration project which will provide economical and environmental enhancements to Whitehaven Town Centre. The project is now being facilitated by ECWC who have acquired a significant part of the land needed to develop the project. The Council owns part of the remaining land which is necessary and this report seeks the approvals necessary to transfer that land to ECWC.
- 1.2 The Council owns two areas of land within the development site which are shown hatched and marked A and C on the plan. It is also proposed that the Council acquires the area hatched and marked B and transfers this to ECWC. The acquisition details of each area are as follows:

Area A: This was purchased by the Council on the 24th February 2006 for £125k wholly funded by grant from the Furness West Cumbria New Vision URC Limited ('WLR') with the intention that it formed part of the Albion Square project. The grant was subject to the standard conditions of grant imposed by WLR including the right to recover the grant from any future proceeds of sale. It is intended that this area should now be transferred to ECWC for £1 subject to WLR and ECWC confirming that there is no claw back of grant. The current value of the land is around £100k-£110k.

Area B: This land comprises the former 16/17 Albion Street and is immediately adjacent the Dusty Miller Inn. Due to the dangerous condition of the building it was demolished by the Council using grant from WLR. WLR own this property, having purchased it at auction. The intention was that this property is transferred to the Council for £1. Due to WLR being restructured this has not materialized. It is now intended that the transaction should be completed with the Council then selling the land to ECWC for £1. The value of the land is estimated to be between £20k and £25k. Again any sale should be subject to WLR and ECWC confirming that no grant will be clawed back.

Area C: This land has been owned by the Council for many years. It has been agreed with ECWC that the land be sold to them for £43k. The Council's valuer has confirmed that this is an acceptable price for the land.

- 1.3 Contract procedure rule 28 requires disposals at less than best value where the value is between £100k and £250k to be approved by the Executive. Area A falls within this band. The Legal Services Manager can approve such disposals where the value is less than £50k. Area B falls within this band. Where a disposal is at best consideration, as with area C, disposals between £10k and £50k are delegated to the Legal Services Manager in consultation with the section 151 officer.
- 1.4 Rule 28 requires consultation with ward councillors. This has been undertaken and no comments have been received.
- 1.5 Section 123 of the Local Government Act 1972 states that a local authority shall not dispose of land at less than the best consideration without the consent of the Secretary of State. The Secretary of State has issued a general disposal consent where consent is provided for disposals which help secure the promotion or improvement of the economic, social or environmental well being of the area and where the difference between the best consideration and the price actually being received is less than £2m. These disposals support the well being powers and the difference in price is well within that threshold. The consent recommends that the view of a professionally qualified valuer is obtained on the values. This has been obtained and the values are as set out above.

2.0 RECOMMENDATIONS

- 2.1 Given the importance of this project to the community and the fact that both properties were purchased either by WLR or with grant funding provided by WLR for the purposes of the project it is recommended that area A be sold to ECWC for £1 provided that there is no claw back of grant. If the Executive approves (a) then area B, if acquired by the Council, will also be sold to ECWC for £1 with the approval of the Legal Services Manager. Area C will also be sold at the proper value of £43k with the terms of that sale being approved by the Legal Services Manager in consultation with the section 151 officer.

3. STATUTORY OFFICER COMMENTS

- 3.1 The Monitoring Officer's comments are:

The legal position is as set out in paragraph 1.5.

3.2 The Section 151 Officer's comments are:

The land proposed to be sold at less than best consideration has been acquired with one purpose in mind – to facilitate the Albion Square development – and these disposals are part of the sequence of events to achieve that development. Provided that there is no grant claw back there are no identified risks to the Council and the recommendations can be supported.

3.3 EIA Comments: The proposals in themselves do not affect equalities. The completed development will comply with equality access requirements.

4. HOW WILL THE PROPOSALS BE PROJECT MANAGED AND HOW ARE THE RISKS GOING TO BE MANAGED?

4.1 Management of this project has now been passed to ECWC. The disposal of the land is a straightforward transaction and, provided previous grant issues are dealt with, with minimal risk.

5. WHAT MEASURABLE OUTCOMES OR OUTPUTS WILL ARISE FROM THIS REPORT?

5.1 Approval of the recommendations and the recommendation in the Part II report will contribute to the consolidation of the landholdings to enable the development to proceed.

List of Appendices

Appendix A – Plan

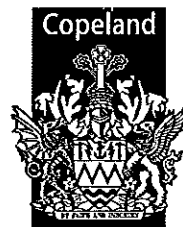
List of Background Documents:

Valuation dated 3rd April 2012.



ALBION STREET
WHITEHAVEN
CUMBRIA

Regeneration Strategy
Copeland Borough Council
The Copeland Centre
Catherine Street
Whitehaven
Cumbria CA28 7SJ



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