



22nd May 2019

SALE OF LAND – QUESTIONS AND ANSWERS

Summary

- The LCA buildings are in need of urgent repair and refurbishment. If it is not done, the long-term future of the Centre is at risk.
- Lyminster and Pennington Town Council has pledged £900,000 towards the redevelopment project. We need to raise the same amount to match the Council’s pledge.
- To raise the funds we have held fund-raising activities and employed a professional fund-raiser for a year, but have only raised about 10% of what we need.
- Having investigated all options, the trustees recommend selling a small part of the car park, which will have minimal impact on parking spaces.
- Sale of a small part of the car park would raise about £500,000 which would then be doubled by the Council’s pledge, giving the LCA a total of £1m towards the £2m development plan.
- If we don’t raise the funds, we will lose out because construction costs are increasing at between 6 and 8% p.a., and if we delay too long we may lose the time-limited Council’s pledge. The buildings will continue to deteriorate requiring even more expenditure.

**PLEASE SUPPORT YOUR BOARD AND VOTE IN FAVOUR OF THE RESOLUTION
TO APPROVE A SALE OF LAND**

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Detailed Q & A

1. Why does the Association need to raise this money?

Funds are needed to carry out the redevelopment of the Centre’s buildings which are in a poor state and deteriorating. They urgently need to be refurbished and improved. The Lyminster and Pennington Town Council (LPTC) pledge of £900,000 gives us a one-off opportunity to do this. Redevelopment plans are being displayed at the Centre from the end of May. The immediate aim is to raise around £1 million for the first phase of redevelopment of the main building. The Association therefore needs to raise around £500,000 which would be matched from the LPTC pledge.

2. Why the rush?

The current buildings are expensive to maintain and heat, and repair costs are rising. This puts the financial sustainability of the Centre in jeopardy and must be urgently addressed. Although the Council's pledge is ring-fenced for 4 years, building cost inflation is around 6 to 8% per year. In other words the value the Council's pledge is depreciating at the same rate, about £1,000 per week or by as much as £100,000 since it was first announced 18 months ago!

3. What has been achieved so far?

The pottery has been relocated and re-equipped under the Robert Hole room and work to expand the Fuller kitchen is scheduled for completion at the end of August. The total cost for these projects is around £150,000. Refurbishment of the run-down Phoenix building is being planned. Preparations for the complex planning application to NFDC are well advanced but also incur significant professional fees, mainly covered by the Council pledge. All development costs are being covered from the Council pledge, other grants and fundraising activities.

4. Is selling land the only option?

Raising money through fundraising, grants and support from generous donors is the preferred option. Unfortunately, and despite the continuous efforts of Centre staff, volunteers and trustees, plus generous support from local donors, we are still a long way short of the raising £1 million for the first stage of the main building.

The trustees have therefore reluctantly reached the conclusion that selling a small piece of the Association's land is the only realistic solution.

5. What exactly is being proposed?

It is proposed to seek planning approval for the development of a small plot at the far end of the car park which would have access to Brunswick Place. This would be done in partnership with the developer as part of a comprehensive package together with the Centre development.

6. How can we be sure that this is the best value for the site?

The trustees have scrupulously followed the Charity Commission's strict rules governing the sale of charity land (Section 280 Charities Act 2011) acting under the guidance of a lawyer specialising in Charity law. The rules are designed to ensure best value for the sale of assets. The procedure involved appointing an experienced, independent local Chartered Surveyor and valuer who invited offers for development from 10 local developers to which 4 responded. The two highest bidders were retained for negotiation and invited to submit more detailed offers.

7. How much might sale realise?

In broad terms, the site would yield around £500,000 in addition to covering the costs of clearance of the derelict building and carpark resurfacing estimated at about £45,000. With match funding from the Council pledge, the sale would raise around £1 million.

8. What will be built on the site?

Current plans, subject to planning approval, are for a 2 storey building comprising six 2-bed flats. Three of the flats would have integral garages accessible from Brunswick Place and 3 would have a single parking place accessed through the car park.

9. Will this result in the loss of car parking space?

Development of the Brunswick Place end site would result in minimal loss of the current 37 parking spaces. This is because the loss of space will be compensated by the demolition and clearance of the derelict and unsafe John Howlett craft building situated on the car park. The costs of demolition, resurfacing and remarking the car park would be met by the developer as part of the land sale. This would relieve the Association of the costs and management of the work. These have to be done anyway and would otherwise be funded from reserves.

10. How will parking by members and the new residents be managed?

Through a management agreement making clear that the use of the Centre car park is restricted to members. The use of well-established number plate recognition technology will be evaluated to control and improve best use of the car park in the interest of the members.

11. Will there be loss of access to the parking during construction work?

Yes, but it will be minimised by providing a restricted, safe construction area.

12. If land prices are going up, wouldn't it be better to wait for a higher price. Are we selling off the family silver?

The trustees consider that this is a one-off opportunity to effectively double the amount raised by the sale for reinvestment in the Centre because it is matched by the Town Council's pledge.

13. What advice have the trustees had from the Charity Commission

The Commission has advised us that:

- The Association can sell land if the proceeds are used to improve its buildings.
- The covenant in the 1948 land conveyance requiring any land sale to be approved at a meeting of "the residents of the Borough of Lymington" can be satisfied by approval at a meeting of the members of the Association.

14. What happens if a generous donor means that it is no longer necessary to sell the land?

The trustees will not be legally obliged to sell the land until contracts have been exchanged with the developer.
