

Subject: **Loan to Great Yarmouth Preservation Trust to Purchase 14 King Street Great Yarmouth**

Report to: Council - 19th December 2019

Report by: Darren Barker Heritage Culture and Design Manager

SUBJECT MATTER/RECOMMENDATIONS

The report recommends the decision to offer Great Yarmouth Preservation Trust a £230,000 loan to purchase 14 King Street (Greenwoods), to repair and convert the building into a Heritage Centre / Tourist Information Centre with residential unit above. Thereby supporting the aims of the Future High Streets Fund initiative.

1. INTRODUCTION

- 1.1 Great Yarmouth Preservation Trust is a registered charity working to preserve the heritage and culture of Great Yarmouth. The Trust, which was established in 1979, often works in partnership with Great Yarmouth Borough Council on joint projects such as the Waterways, St Georges Theatre and the repair of the mediaeval town wall.
- 1.2 The council supports the work of the trust by allowing council officers to dedicate time to Trust projects. Five elected council members are trustees of Great Yarmouth Preservation Trust.
- 1.3 In recent years GYPT has made use of a historic loan arrangement with the Council to borrow capital in order to purchase historic buildings for repair and reuse. The loan is then repaid from revenue generated from the reuse of the building.
- 1.4 14 King Street is a good historic building situated within the King Street Conservation Area it makes a positive contribution to the character of the

conservation area and is ideally positioned as a corner building. It was last used as a gentleman's clothes shops and has been closed for 8 months. The building is currently on the market for sale.

- 1.5 Funding for the buildings full repair and creation of a sustainable end use has provisionally been identified as an intervention within a wider Future High Streets Fund initiative.

2. BACKGROUND

- 2.1 GYPT currently has three separate loans from the council, these were used to purchase 133,135 and 33 King Street.
- 2.2 133, 135 and 33 King Street are grade II listed building which were vacant and neglected and on the Buildings at Risk Register. They were purchased between 2013 and 2017 with mortgage type loans from council.
- 2.3 This approach has a number of positive benefits and outcomes. It secures and maintains the important historic building stock of the town, it generates sustainable and viable uses for vacant buildings and makes a significant contribution to the regeneration of King Street, and the town.
- 2.4 Employment is created both during the construction phase and during the buildings reuse. The residential units provide much needed accommodation.
- 2.4 The approach allows GYPT to be more resilient and better equipped to continue its charitable aims and to work in partnership with the council.

3. PROPOSAL

- 3.1 No. 14 King Street currently vacant and is a corner building with the potential to assist in linking the town centre and market place together through a creative

reuse, thus supporting the long term regeneration of the town.

- 3.2 GYPT is willing to purchase 14 King Street (subject to a loan from GYBC) to undertake scheme design, repair and adaptation securing a long term viable and sustainable use. Revenue generated from the new use will repay the loan and keep the building maintained into the future.

4. FINANCIAL IMPLICATIONS

- 4.2 The Council has the power to make the loan pursuant to section 1 of the Localism Act 2011 and/or section 57 of the Planning (Listed Buildings and Conservation Areas) Act 1990.
- 4.3 Loans that are provided for service purposes outside of the treasury management function are treated as capital expenditure and therefore require a capital budget to be approved which forms part of the recommendation in the report.
- 4.4 The repayment of the loan would include interest and principal for which the principal element would be treated as a capital receipt. The rate chargeable would be at a market rate and will be established to ensure that it is at a nil cost to GYBC.

5. RISK IMPLICATIONS

- 5.1 The risks of providing the loan facility to GYPT are considered in the context of the success of previous loan arrangements. GYPT has never defaulted on an existing repayment for the 3 current loans and has a strong track record in delivering successful conservation schemes recognised nationally. A capacity assessment has been undertaken by the trust to ensure that this scheme is deliverable within the resources available.
- 5.2 Funding from the FHSF has been provisionally identified for the repair and reuse of the building. This will be subject to a full scheme and detailed

specification for repair and a business plan for sustainable reuse.

- 5.3 The risk to the Council will be mitigate through the loan agreement with the trust including the security of a charge on the property.

6. **CONCLUSIONS**

- 6.1 Based on the proposal put forward by GYPT and detailed in this report it is considered that this is a positive scheme complementing wider ambitions in the corporate plan, linked to town centre regeneration and reviving the historic nature of King Street. The council will need to draw up a refreshed loan agreement with clear terms, penalties and expectations to minimise any financial risk to the council.
- 6.2 If the FHSF was not secured GYPT would still undertake development, this would be a mixture of residential with ground floor use (retail/commercial/cultural). Funding would be sought from the Architectural Heritage Fund.
- 6.3 The benefit of this approach reduces the risk for GYBC as ownership and delivery is with GYPT. It means that the purchase price of circa £320k is not taken from the FHSF fund and instead can be used as match funding to support the application as a financial contribution to the FHSF.

7. **RECOMMENDATIONS**

- 7.1 The council is asked to approve the proposal to offer a further loan facility to GYPT to purchase No 14 King Street and approve the establishment of a capital budget of £230,000 subject to providing a full specification for repair and reuse, together with a clear business plan.

Area for consideration	Comment
Monitoring Officer Consultation:	
Section 151 Officer Consultation:	
Existing Council Policies:	
Financial Implications:	Requests a loan of £230,000
Legal Implications (including human rights):	Will be addressed in loan agreement.
Risk Implications:	Considered within the body of the report.
Equality Issues/EQIA assessment:	Access issues will be addressed as part of the scheme.
Crime & Disorder:	
Every Child Matters:	