

WIRRAL COUNCIL

DELEGATED DECISION

SUBJECT:	<i>PLOT 2A AND 2B TARRAN INDUSTRIAL ESTATE, MORETON</i>
WARD/S AFFECTED:	<i>MORETON WEST AND SAUGHALL MASSIE</i>
REPORT OF:	<i>HEAD OF UNIVERSAL & INFRASTRUCTURE SERVICES</i>
RESPONSIBLE PORTFOLIO HOLDER:	<i>COUNCILLOR ADRIAN JONES</i>
KEY DECISION?	<i>NO</i>

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to seek authority to dispose of freehold interest of industrial land at Plots 2a and 2b Tarran Industrial Estate, Moreton currently held on two 99 year ground leases.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 Plot 2a Tarran Industrial Estate is held on a 99 year industrial ground lease from 1/6/1981 by MJ Davies at a current rent of £3,480 p.a. subject to 7 year rent reviews. The site area is 1,532 sq m shown on the attached plan. Plot 2b Tarran Industrial Estate is held on a 99 year industrial ground lease from 1/2/1977 by MJ Davies at a current rent of £3,900 p.a. subject to 7 year rent reviews. The site area is 1,488 sq m and is shown on the attached plan. The two plots have been developed with industrial buildings by the tenant at the commencement of the leases and used for an engineering business.
- 2.2 The current lessee, MJ Davies has applied to assign the ground lease to L Black of Black Macadam Ltd who has enquired about purchasing the freehold interest of the two plots in order to redevelop the site with smaller industrial units. Negotiations have taken place and a figure of £100,000 plus fees has provisionally been agreed for the freehold. Wirral Council owns the freehold of approximately one quarter of the Tarran Industrial Estate.
- 2.3 When the term remaining on a lease falls below 50/60 years unexpired, Financial Institutions are more reluctant to lend against the asset. An alternative to disposing of the freehold interest is to grant longer leases back to 99 or 125 years. Not agreeing to selling the freehold interest or granting longer leases would be detrimental to the estate and tenants. The recommended option is to dispose of the freehold interest and the Council is currently able to achieve a high sale price as the lease has 62 years unexpired.

3.0 RELEVANT RISKS

- 3.1 The land is already held on two 99 year lease industrial ground leases and the Council will not be responsible for any future maintenance until the leases expire in 2076/2080 if the sale does not proceed.

4.0 OTHER OPTIONS CONSIDERED

4.1 As the land is already held on a 99 year leases no other options have been considered.

5.0 CONSULTATION

5.1 As the land is already held on a 99 year lease no consultation is required.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

6.1 None

7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

7.1 The sale will generate a capital receipt of £100,000 plus fees but the loss of an annual income of £7,380 p.a.

8.0 LEGAL IMPLICATIONS

8.1 The disposal will require the preparation of appropriate legal documentation related to the disposal.

8.2 The sale price is considered to be the best price obtainable and therefore meets the requirements of Section 123 of the Local Government Act 1972.

9.0 EQUALITIES IMPLICATIONS

9.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

No because there is no relevance to equality.

10.0 CARBON REDUCTION IMPLICATIONS

10.1 None

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 The site is identified on the Proposals Map with the Wirral Unitary Development Plan (UDP saved by direction of the Secretary of State on 27 September 2007) as being within a Primarily Industrial Area. UDP Policy EM8 permits proposals for uses falling within Classes B1 (business), B2 (general industry) and B8 (storage & distribution) of the Town & Country Planning (Uses Classes) Order 1987, subject to adequate design and use controls.

11.2 The sale of the freehold interest of land by itself does not require planning permission. Under these circumstances no planning implications arise.

11.3 There are no community safety implications arising out of this report.

12.0 RECOMMENDATION/S

12.1 That the freehold of Plot 2a and 2b Tarran Industrial Estate, Moreton be sold on the terms reported.

13.0 REASON/S FOR RECOMMENDATION/S

13.1 To make the best use of the council's property assets.

REPORT AUTHOR: David Dickenson
Asset Management Surveyor
telephone: (0151 666 3879)
email: daviddickenson@wirral.gov.uk

APPENDIX

Location plan

REFERENCE MATERIAL

No reference material has been used in the preparation of this report.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
None	