

WIRRAL COUNCIL

DELEGATED DECISION

SUBJECT:	<i>MOLLINGTON STREET, BIRKENHEAD</i>
WARD/S AFFECTED:	<i>BIRKENHEAD AND TRANMERE</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 the freehold interest of an industrial ground lease at Mollington Street, Birkenhead currently held on a 99 year lease.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The property in Mollington Street, Birkenhead, is held on a 99 year industrial ground lease from 17/9/1975 by S.A Edwards at a current rent of £900 p.a. subject to 7 year rent reviews. Mollington Street is not adopted with poor access located off Argyle Street South, Birkenhead. The site area is 581 sq m shown on the attached plan and is located at a higher ground than the gas site at the rear. The plot has a yard and small industrial buildings built by the tenant at the commencement of the lease.
- 2.2 The lessee, S Edwards has enquired about purchasing the freehold interest. Negotiations have taken place and a figure of £16,500 plus fees has provisionally been agreed.
- 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 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 60 years unexpired.

3.0 RELEVANT RISKS

- 3.1 The land is already held on a 99 year industrial ground lease and the Council will not be responsible for any future maintenance until the lease expires in 2074 if the sale does not proceed.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 As the land is already held on a 99 year lease 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 £16,500 plus fees but the loss of an annual income of £900.

8.0 LEGAL IMPLICATIONS

- 8.1 The disposal will require the preparation of appropriate legal documentation related to the disposal. The access rights over Mollington Street will need to be formalised.
- 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 designated as part of a Primarily Industrial Area and is subject to Policy EM8 'Development Within Primarily Industrial Areas' in the Wirral Unitary Development Plan. The site also lies adjacent to the wider Hind Street area where planning permission has been granted for a mixed-use scheme to promote economic regeneration in the surrounding area.
- 11.2 The sale of the freehold interest of land by itself does not require planning permission.
- 11.3 There are no community safety implications arising out of this report.

12.0 RECOMMENDATION/S

- 12.1 That the freehold of the ground lease at Mollington Street, Birkenhead 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	