

WIRRAL COUNCIL

CABINET

12 JANUARY 2012

SUBJECT:	HILLCROFT, ROCKY LANE, HESWALL
WARD/S AFFECTED:	HESWALL
REPORT OF:	DIRECTOR OF LAW, HR AND ASSET MANAGEMENT
RESPONSIBLE PORTFOLIO HOLDER:	COUNCILLOR JONES
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

- 1.1 Hillcroft, Rocky Lane, Heswall was declared surplus to the Council's requirements and terms have previously been agreed for its disposal to the Citizen's Advice Bureau. This report seeks approval to the replacement of the existing lease to the Citizens Advice Bureau of the ground floor of Hillcroft, Rocky Lane, Heswall, for a new longer lease of the whole property.
- 1.2 The transfer is in support of the council's goal to reduce the running costs of the Council by improving the efficiency and value for money of Council services whilst reducing bureaucracy.
- 1.3 There will be a saving in the Council's budget as a consequence of this transfer.
- 1.4 The transfer is not a Statutory duty.

2.0 RECOMMENDATIONS

- 2.1 That the Citizen's Advice Bureau (CAB) be granted a new lease of Hillcroft, Rocky Lane, Heswall on the terms now reported.

3.0 REASON FOR RECOMMENDATIONS

- 3.1 The proposed new lease to the CAB will enable them to develop their proposals to improve the service provision.

4.0 BACKGROUND AND KEY ISSUES

- 4.1 Hillcroft, Rocky Lane, Heswall was purchased in 1972 and is shown edged black on the attached plan. The building was initially used as an operational building, however, in recent years it has been occupied by the Wirral Citizens Advice Bureau (CAB) on the ground floor and The Heswall Council for Voluntary Services (CVS) on the first floor. The lease for the first floor has expired and is now empty.

- 4.2 The Heswall and District Citizens Advice Bureau have a 20 year lease of the ground floor offices from 12th May 2002 at a rental of £2,950 per annum. The lease makes the Council responsible for all repairs, external redecoration, heating, electricity and external ground maintenance. The lease includes a break clause which enables the Heswall and District CAB to terminate the lease following 6 months notice.
- 4.3 Cabinet on 15th January 2009 resolved that this building be declared surplus to requirements and disposed of as part of the Strategic Asset Review.
- 4.4 The CAB continues to occupy the ground floor of the building and now has plans for expansion, which will require use of the whole building.
- 4.5 The CAB has advised that its expansion plans arise from its need to assist more clients as a front line service and utilise the network of other providers to meet any specialist requirements. This enhanced service would be delivered using an advice line call centre enabling people to access a first line of support and be better serviced than the current drop-in facility offered from its other five advice centres and two outreaches. In recent years the volume of clients dealt with by the CAB has increased, along, with the complexity of its cases, which has placed an extra burden on its already tight resources. The new service will reduce the number of clients needing face to face advice, giving CAB volunteers more time to deal with complex issues presented to them. The occupation of the whole building will support the CAB's aim is to make the Heswall centre a Gateway facility enabling immediate responses to client queries and then presenting their problems to the appropriate service provider.
- 4.6 **CURRENT POSITION**
- 4.7 In order to deliver this service from the Heswall office, the CAB has expressed an interest in acquiring the whole building. As part of these discussions an independent valuation was commissioned from the District Valuer and a valuation of £140,000 was put on the building. A sale of Hillcroft to the CAB for this sum was approved by Delegated Decision of the portfolio holder on 22 June 2010.
- 4.8 The CAB have now advised that, whilst it remains committed to improving its services, it is unable to proceed with the acquisition of the property on the terms previously agreed, as there is uncertainty around future funding.
- 4.9 There have been discussions around a possible transfer of the facility to the CAB in accordance with the Council's Community Asset Transfer Policy. However, as the CAB proposes to expand its office and advice facility and is not intending to provide space for community activity, it has been agreed with the CAB that the transfer now proposed differs in nature from those undertaken to date using the Asset Transfer Policy. However, as the CAB is currently the Council's preferred supplier for generalist advice services until July 2012 and is supported by the Council with grant funding, terms have been provisionally agreed for a lease on terms similar to an asset transfer, which are outlined as follows:

- Term: 99 years
- Rent: Peppercorn

- Liabilities: The lessee to be responsible for all outgoings and maintenance.
- Special provisions The lease would include a break clause enabling the CAB to terminate the agreement at 6 months notice.
- User clause: As a Citizens Advice Bureau facility

4.10 Members will be aware of the Council's obligation to obtain the best price reasonably obtainable on the disposal of its land and property. However, under the General Consent, the Council does have the power to restrict the value of land by imposing restrictions as to its use on the grounds that to do so is in the interest of the economic and / or environmental and / or social well being of the inhabitants of the Borough and provided also that any such restriction in value does not exceed two million pounds, per transaction. Disposal of the property on the above terms falls within the limits of the consent.

4.11 CONCLUSION

4.12 Whilst the Council has the opportunity to dispose of the property, it would be with the CAB as a tenant, which, given the terms of the existing lease, would make it an unattractive proposition. However, a transfer of the property on the lease terms described will not transfer the value of the asset, as the restriction on use will remove this.

4.13 The current lease generates an income of £2,950 per annum, however, the terms of the lease mean that the Council incurs costs in the region of £10,000 per annum. The proposed transfer to the CAB on the terms described will remove the net cost from the Council's budget, but at the same time will enable the CAB to implement its proposals for improving its service.

5.0 RELEVANT RISKS

5.1 Should the CAB's circumstances alter, it would have the ability to surrender the lease and return the property to the Council unencumbered. The building could then be sold on the open market with vacant possession.

6.0 OTHER OPTIONS CONSIDERED

6.1 The delegated decision of 22 June 2011 also set a reserve price for auction should a sale to the CAB not be agreed. As the CAB is pursuing its interest in the building, no other option has been explored.

7.0 CONSULTATION

7.1 Discussions have been held directly with the CAB and consequently no other consultations have taken place.

8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

8.1 The CAB is strongly supported by volunteers who provide advice to the community.

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

9.1 FINANCIAL IMPLICATIONS

- 9.1.1 Approval of the new lease terms will result in a loss of income in the region of £3,000, but a saving in running costs in the region of £10,000 per annum, giving a net saving of approximately £7,000 per annum.

9.2 STAFFING IMPLICATIONS

- 9.2.1 There are no Council staffing implications arising directly from this report.

9.3 ASSET IMPLICATIONS

- 9.3.1 If the Council were to sell the property with vacant possession it could achieve a capital receipt which has been valued at £140,000. Approval of the lease on the terms described will defer the ability to achieve a capital receipt.

10.0 LEGAL IMPLICATIONS

- 10.1 Approval of the recommendations will require the Council to prepare appropriate legal documentation to enable the altered lease to be prepared.

11.0 EQUALITIES IMPLICATIONS

- 11.1 There are no equality implications arising directly from this report.

12.0 CARBON REDUCTION IMPLICATIONS

- 12.1 Post transfer, the group will need to operate the facility in a cost effective manner and will need to ensure that energy bills are kept to a minimum.
- 12.2 The transfer will result in a saving in the Council's CO2 emissions which have been calculated at 7.8 tonnes for the year 2011/12.

13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

- 13.1 The site is within the Primarily Residential Area as designated in the Unitary Development Plan (2000). The use of the site is well established and this proposal would not result in a change of use which would require planning permission.

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APPENDICES

A location plan is attached identifying the building.

REFERENCE MATERIAL

Reference has been made to the Council's Community Asset Transfer Policy which can be viewed through the Council's website.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet – Transforming Wirral – Strategic Asset Review	15 January 2009
Delegated decision – Hillcroft, Rocky Lane, Heswall	22 June 2010