

# **WIRRAL COUNCIL**

## **CABINET 13 MARCH 2014**

<b>SUBJECT:</b>	<b>NEW HALL FARM, HOYLAKES</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>HEAD OF UNIVERSAL &amp; INFRASTRUCTURE SERVICES</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>COUNCILLOR ADRIAN JONES</b>
<b>KEY DECISION?</b>	<b>YES</b>

### **1.0 EXECUTIVE SUMMARY**

- 1.1 To recommend that the Council enters into a Deed of Surrender of land included in the present agricultural tenancy at New Hall Farm, Hoylake, which is required for the proposed Hoylake Golf resort.
- 1.2 To recommend that the Farmhouse and outbuildings are contemporaneously sold to the present tenant.
- 1.3 To recommend that the residual land be leased back to the tenant for him to manage until such time as it is required for the resort.

### **2.0 BACKGROUND AND KEY ISSUES**

- 2.1 The concept of a high quality golf resort has been an aspiration of the Council since the Open Golf Championship returned to Royal Liverpool in 2006. The project has been identified as a key objective in the Investment Strategy as its delivery will bring significant benefits to Wirral and include:
  - Multi million pound investment by the private sector in the golf resort proposals in Hoylake and West Wirral contributing to the area's regeneration.
  - An international standard facility and the opportunity to regularly attract a variety of major golf competitions to Wirral.
  - The creation of direct and indirect jobs through the supply chain which will be needed to support the golf resort.
  - The potential to significantly enhance the image of Wirral as a destination for leisure and business.
  - Increased attraction of Wirral to the golfing sector and the development of golf related activities which will have the potential to increase the number of tourists and visitor spend.

- Improved environment and landscape quality of the land on which it is to be constructed.

### **3.0 CURRENT POSITION**

- 3.1 The Council has commenced an OJEU Competitive Dialogue Process to identify a development partner to deliver the Hoylake Golf Resort. As part of this process it is necessary to provide potential bidders with as much certainty as possible as to the status and amount of land that can be made available to the scheme.
- 3.2 From the outset, the Council owned land known as New Hall Farm was identified as being potentially available for the Golf Resort project and as such negotiations with the current tenant, Mr Home, have been taking place with a view to negotiating a surrender of his existing lease.
- 3.3 The lease extends to 149 acres of poor grade agricultural land which includes a farmhouse and outbuildings. Mr Home has been in occupation since 1962 and currently pays a rental of £8,000 per annum.
- 3.4 The lease is protected by the Agricultural Holdings Act 1986 and the Council could only force a surrender should planning permission be granted for an alternative use. This is known under the Act as a 'Case B Notice to Quit' and the statutory compensation would amount to six times the passing rent which would be £48,000 in total.
- 3.5 The process required to secure Case B is however lengthy and by no means certain being dependent on strict timing as to when appropriate notices need to be served. As stated, planning permission needs to be in place before embarking on the process which would cost the developer hundreds of thousands of pounds in fees and investigations with no certainty that the land would be available.
- 3.6 In order to remove this uncertainty which is currently stymieing any progress on the resort, a provisional deal has been struck with Mr Home to increase the compensation to £60,000 to reflect his preparedness to voluntarily surrender the lease in advance of any Case B action. At the same time, the Council will sell him the farmhouse and outbuildings, shown hatched on plan, which currently constitute a management liability.
- 3.7 It is then intended that the residual land, shown cross hatched on plan, be leased back to Mr Home under a Farming Business Tenancy until such time as it is required for the resort. Any such tenancy for a period of less than two years will terminate at a specified date, which in this case will be 29<sup>th</sup> September 2015 which is calculated as the earliest possible date by which planning consent could be secured.
- 3.8 The farmhouse and buildings have been independently valued at £322,000 and it is the intention to deduct the £60,000 compensation from this. In addition, an amount for backlog repairs will be deducted for which the Council is responsible under the terms of the lease. The buildings have been surveyed and the required repairs costed at £25,000. The residual sum on sale therefore will amount to £237,000.

#### **4.0 RELEVANT RISKS**

- 4.1 Failure to secure an agreement with Mr Home will jeopardise the development of the Golf Resort.

#### **5.0 OTHER OPTIONS CONSIDERED**

- 5.1 There are no other options available.

#### **6.0 CONSULTATION**

- 6.1 These will be undertaken as part of the planning process.

#### **7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

- 7.1 None

#### **8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

- 8.1 The transaction as reported will produce a capital receipt in the amount of £237,000, and fits with the Asset Management disposal policy.

#### **9.0 LEGAL IMPLICATIONS**

- 9.1 Appropriate documentation will need to be drawn up to effect the surrender and subsequent sale and leaseback.

#### **10.0 EQUALITIES IMPLICATIONS**

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

(a) Yes an impact review is attached

<http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010/law-hr-asset-management>

#### **11.0 CARBON REDUCTION IMPLICATIONS**

- 11.1 None.

#### **12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

- 12.1 There are no planning implications arising from the transactions outlined in this report. Any future planning application would be assessed against the statutory development plan (currently the Unitary Development Plan) and material considerations that would relate to the proposals as and when they emerge.

#### **13.0 RECOMMENDATIONS**

- 13.1 That the Council enters into a Deed of Surrender of land included in the present agricultural tenancy at New Hall Farm, Hoylake, which is required for the proposed Hoylake Golf resort.

- 13.2 To recommend that the Farmhouse and outbuildings are contemporaneously sold to the present tenant with deductions to be made as outlined in the report in respect of the compensation agreed and the outstanding repairs.
- 13.3 To recommend that the residual land be leased back to the tenant for him to manage until such time as it is required for the resort.

#### **14.0 REASONS FOR RECOMMENDATIONS**

- 14.1 To enable the land to be included in the offer for the Golf Resort.

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#### **APPENDICES**

Location Plan

#### **REFERENCE MATERIAL**

None

#### **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>