

WIRRAL COUNCIL

CABINET REPORT 19TH JUNE 2014

SUBJECT:	<i>UNITS 1, 2 AND 3 TARRAN INDUSTRIAL ESTATE, TARRAN WAY WEST, 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 the freehold interest of three industrial units on Tarran Way West, Tarran Industrial Estate, Moreton to the current lessee.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 Units 1 to 3 Tarran Way West comprise of three 2,000 sq ft interconnecting industrial units on the Tarran Industrial Estate, Moreton. The three units are held on a 9 year lease from 1st February 2007 to M Rogers trading as A1 Autocare at an annual rent of £28,500 p.a. Under the terms of the lease the tenant is responsible for all internal and external repairs and insuring the units. The lease includes a break clause to enable the tenant to terminate the lease on serving six months notice at any time. M Rogers has been a tenant of unit 1 since 1993.
- 2.2 The lessee has enquired about purchasing the freehold interest of the three industrial units. Negotiations have taken place and a figure of £270,000 plus fees has provisionally been agreed for the freehold. These are the only industrial units on The Tarran Industrial Estate owned by Wirral Council although approximately one quarter of the estate is owned by Wirral Council on 99 year ground leases. If the Council retain the units there is a risk that the tenant could serve 6 months notice to terminate the lease and the Council could be left with three vacant industrial units. Due to the layout of the communal access road, units and rear yards the units may be difficult to re-let individually.

3.0 RELEVANT RISKS

- 3.1 The units are held on a 9 year lease from 2007 with the tenant responsible for all repairs and insurance. The lease includes a break clause to enable the tenant to terminate the lease on giving 6 months notice so there is a risk the tenant could give notice or vacate the unit on expiry and the Council would left with three vacant units.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 Retain the units on a lease but there is a risk outlined above that the tenant could vacate the units.

5.0 CONSULTATION

5.1 As the land is already held on a 9 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 £270,000 plus fees but the loss of an annual income of £28,500 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 industrial units 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 Units 1-3 Tarran Way West, 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.

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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	