

WIRRAL COUNCIL

DELEGATED DECISION

| | |
|--|--|
| SUBJECT: | OAKTREE PLACE PLOTS 3, 5, 6 AND 7, BIRKENHEAD |
| WARD AFFECTED: | ROCK FERRY |
| REPORT OF: | DIRECTOR OF BUSINESS SERVICES / ASSISTANT CHIEF EXECUTIVE |
| RESPONSIBLE PORTFOLIO HOLDER: | HOUSING & COMMUNITY SAFETY - COUNCILLOR GEORGE DAVIES |
| KEY DECISION? | NO |

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to seek approval to the disposal of land at Oaktree place (Plots 3, 5, 6 and 7), Birkenhead to the tenants.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The land at Oaktree Place plots 3-7 is shown edged red on the attached plan with the various plots identified. The land was acquired by the Council in 1966 under the Mersey Tunnels Approach Act 1965, although this seems to be an historical matter. The property is held on a four ground leases all of 99 year terms from dates ranging from 1967 to 1972, three at peppercorn rents, the fourth paying £1,200 per annum.
- 2.2 The site has been identified as part of a larger list of sites which have potential to generate capital receipts and the Assets and Capital Group, at its meeting in May 2017, resolved to pursue a disposal of the property.
- 2.3 A report of 14 July 2017 advised Members of the intention to dispose of the Council's interest in this property by auction. However the tenant of plot 3 and the tenant who occupies plots 5, 6 and 7 have now approached the Council with a request that they be allowed to purchase the freehold interest without the need to bid at auction. An auction is considered to be a good way of achieving an open market value, however, there are benefits to the tenant acquiring the property as it affords them the opportunity to merge the freehold and leasehold title to obtain a cleaner title. Consequently this can present an element of 'gain' within the valuation which is only applicable to the tenant.
- 2.4 The tenant of plot 3 has submitted an offer of £13,000 for the Council's freehold interest in that plot plus a contribution of £1,000 towards the Council legal costs and surveyors' fees. The current lease restricts the use to a car park and a purchase by the tenant would enable more scope of use which is reflected in the offer. The tenant of plots 5, 6 and 7 has submitted an offer of £17,000 plus a contribution of £1,000 towards the Council legal costs and surveyors' fees which reflects the amalgamation of the interests with the continued use as industrial premises. Whilst no formal reserve has been set for

auction it is likely to be in the region of £18,000 for the whole interest. The offers, totalling £30,000, are therefore considered to be sufficiently above the likely receipt from an auction sale to justify a sale to the tenant. It is therefore proposed that the property be sold to the tenants on the terms reported rather than a sale at auction. The Council had hoped to achieve a quick sale and it should be noted that, should the tenants not proceed with the purchase expediently, the property would be referred to the auctioneer.

2.5 The tenant of plot 4 has not yet made a request to purchase their interest.

3.0 RELEVANT RISKS

3.1 There is a risk that the purchasers do not proceed in accordance with the Council's desired timescales, in which case the property would be referred to the auctioneer.

4.0 OTHER OPTIONS CONSIDERED

4.1 The Council could continue with a disposal by auction although it would not then benefit from the 'gain' which can only be achieved with a sale to the tenant.

5.0 CONSULTATION

5.1 Officers have been consulted through the Assets and Capital Group and further discussion at this stage have been directly with the tenant.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

6.1 This proposal has no implications for voluntary, community and faith groups.

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

7.1 Should the properties sell, they will generate receipts totalling £30,000 and will also remove any potential liabilities. In addition the purchasers will pay £2,000 towards the Council's legal costs and surveyors' fees.

7.2 In disposing of the property the Council would forego the annual rent of £1,200 in lieu of the capital receipt.

7.3 There are no IT or staffing implications arising from this report.

8.0 LEGAL IMPLICATIONS

8.1 The disposals will require the preparation of appropriate legal documentation.

8.2 The sales reflect an element of 'gain' which can only be achieved by a sale to the tenants and is considered to be in excess of the open market value and consequently satisfies s123 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 There are no carbon reduction implications for the Council arising directly from this report.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 The site is designated as part of the Primarily Industrial Area in the Unitary Development Plan where employment uses with Use Class B1, B2 and B8 are acceptable in principle under the terms of UDP Policy EM8.

11.2 The premises are also identified in the Council's hazards records as a COMAH Site - the ESSAR UK Oil Products Ltd Public Information Zone 250m and a Pollution Control Part A Notification Area.

12.0 RECOMMENDATION

12.1 That authority be given to the disposals on the terms described. Should the sales not proceed as planned, authority be given to revert to the previous disposal by auction.

12.0 REASONS FOR RECOMMENDATIONS

13.1 To make the best use of the Council's property assets by declaring the properties surplus and to seek authority to a disposal.

REPORT AUTHOR: Steven McMorran
Asset Management
telephone: (0151 666 3891)
email: stevemcmorran@wirral.gov.uk

APPENDICES

Location plan

REFERENCE MATERIAL

| | |
|--|--------------|
| Cabinet Member Delegated Decision – Oaktree Place Plots 3-7, Birkenhead | 10 July 2017 |
|--|--------------|