

# **WIRRAL COUNCIL**

## **DELEGATED DECISION**

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| <b>SUBJECT:</b>                          | <b>PRIORY INDUSTRIAL ESTATE PLOT 10,<br/>BIRKENHEAD</b>              |
| <b>WARD AFFECTED:</b>                    | <b>BIRKENHEAD AND TRANMERE</b>                                       |
| <b>REPORT OF:</b>                        | <b>DIRECTOR OF BUSINESS SERVICES /<br/>ASSISTANT CHIEF EXECUTIVE</b> |
| <b>RESPONSIBLE PORTFOLIO<br/>HOLDER:</b> | <b>HOUSING &amp; COMMUNITY SAFETY -<br/>COUNCILLOR GEORGE DAVIES</b> |
| <b>KEY DECISION?</b>                     | <b>NO</b>  |

### **1.0 EXECUTIVE SUMMARY**

- 1.1 The purpose of this report is to seek approval to the disposal of land at Priory Industrial Estate Plot 10, Ivy Street, Birkenhead to the tenant.

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

- 2.1 The land at Priory Industrial Estate Plot 10 is shown edged red on the attached plan. The land was acquired by the Council at various times ranging from 1929 to 1973, the latter being for the specific purpose of industrial redevelopment. The property is held on a 99 year ground lease granted in 1975 and is currently leased by Digitel Europe Ltd at a rent of £2,750 pa.
- 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 the property has 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 has submitted an offer of £40,600 for the Council's freehold interest plus a contribution of £1,000 towards the Council legal costs and surveyors' fees. Whilst no formal reserve has been set for auction it is likely to be in the region of £34,000. The offer is 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 tenant 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 tenant not proceed with the purchase expediently, the property would be referred to the auctioneer.

### **3.0 RELEVANT RISKS**

- 3.1 There is a risk that the purchaser does 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 property sell, it will generate a receipt of £40,600 and will also remove any potential liabilities. In addition the purchaser will pay £1,000 towards the Council's legal costs and surveyors' fees.
- 7.2 In disposing of the property the Council would forego the annual rent of £2,750 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 disposal will require the preparation of appropriate legal documentation.
- 8.2 The sale reflects an element of 'gain' which can only be achieved by a sale to the tenant 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 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 Council's hazards records show the site is within a Pollution Control Part A Notification Area and within a Waste Disposal (250 m) Buffer Zone.

## **12.0 RECOMMENDATION**

12.1 That authority be given to its disposal on the terms described. Should this sale 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 property surplus and to seek authority to a disposal.

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## **APPENDICES**

Location plan

## **REFERENCE MATERIAL**

|  |              |
|--|--------------|
| Cabinet Member Delegated Decision - Priory Industrial Estate Plot 10, Birkenhead | 14 July 2017 |
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