

WIRRAL COUNCIL

DELEGATED DECISION

SUBJECT:	9 PILGRIM STREET, BIRKENHEAD.
WARD AFFECTED:	BIRKENHEAD AND TRANMERE
REPORT OF:	DIRECTOR OF BUSINESS SERVICES / ASSISTANT CHIEF EXECUTIVE
RESPONSIBLE PORTFOLIO HOLDER:	HOUSING & PLANNING – 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 9 Pilgrim Street, Birkenhead.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 9 Pilgrim Street is shown edged red on the attached plan and is held on a 128 year ground lease by P Campbell from 12th November 1981. The rent passing is £4,800 pa. and is subject to review every 7 years.
- 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 The tenant of the property has 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 Negotiations have taken place with the tenant and a figure of £65,000 for the Council's freehold interest plus a contribution of £1,000 towards the Council legal costs and surveyors' fees have been agreed. The contract will include an overage clause where Wirral Council will receive 50% of the uplift in value if planning permission is received for residential use within a 20 year period. The offer is considered to be sufficiently above the likely receipt from an auction sale to justify a sale to the tenant based on an assessment of the asset by RICS qualified valuers. 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 £65,000 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 £4,800 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 Primarily Industrial in the Unitary Development Plan where employment uses within Use Class B1, B2 and B8 are acceptable in principle under the terms of UDP Policy EM8.

11.2 The site is also located within an Area of Greatest Need, the Liverpool Airport Safeguard (Blue Zone) and within a 250 metre buffer for former waste disposal.

12.0 RECOMMENDATION

12.1 That authority be given to the disposal of the freehold interest of 9 Pilgrim Street, Birkenhead on the terms described. Should this sale not proceed as planned, authority be given to a disposal by auction.

13.0 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