WIRRAL COUNCIL

DELEGATED DECISION

SUBJECT:	**TARRAN INDUSTRIAL ESTATE, MORETON, PLOTS 2, 23 AND 24A**
WARD AFFECTED:	**MORETON WEST AND SAUGHALL MASSIE**
REPORT OF:	**CORPORATE DIRECTOR OF DELIVERY 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 the Council's freehold reversionary interest of Plots 2, 23 and 24a Tarran Industrial Estate, Moreton to the tenant.

2.0 BACKGROUND AND KEY ISSUES

2.1 The Council owns the freehold reversionary interest in three plots on the Tarran Industrial Estate all of which are held on leases by Tarran Way North Estates Limited. The terms of the leases are:-

2.2 Plot 2 Tarran Industrial Estate is held on a 99 year lease by Tarran Way North Estates Ltd from 24th January 1991. The rent passing is £6,600 pa. and is subject to review every 6 years.

2.3 Plot 23 Tarran Industrial Estate is held on a 99 year lease by Tarran Way North Estates Ltd from 4th November 1982. The rent passing is £3,500 pa. and is subject to review every 6 years.

2.4 Plot 24a Tarran Industrial Estate is held on a 99 year lease by Tarran Way North Estates Ltd from 17th July 1989. The rent passing is £6,400 p.a. and is subject to review every 6 years.

2.5 The three plots are shown on the attached plan.

2.6 The sites have been identified as part of a larger list of sites which have potential to generate capital receipts and support Business Growth. The Assets and Capital Group, at its meeting in May 2017, resolved to pursue a disposal of the property.

2.7 The tenant of the properties has requested that they be allowed to purchase the freehold interests 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.

2.8 Negotiations have taken place with the tenant and a figure of £253,800 for the Council's freehold interests plus a contribution of £3,300 towards the Council legal costs and surveyors' fees have been agreed. The breakdown is £101,500 for plot 2, £53,800 for plot 23 and £98,500 for plot 24a. 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 properties 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 has 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 £253,800 and will also remove any potential liabilities. In addition the purchaser will pay £3,300 towards the Council's legal costs and surveyors' fees.

7.2 In disposing of the property the Council would forego the annual rent of £16,500 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 best consideration 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 with Use Class B1, B2 and B8 are acceptable in principle under the terms of UDP Policy EM8.

12.0 RECOMMENDATION

12.1 That authority be given to the Corporate Director of Delivery Services / Assistant Chief Executive to dispose of the freehold interests of Plots 2, 23 and 24a Tarran Industrial Estate, Moreton to Tarran Way North Estates Limited for £253,800 plus costs on the terms described. Should this sale not proceed as planned, authority be given to disposal by auction.

13.0 REASONS FOR RECOMMENDATION

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

REPORT AUTHOR: David Dickenson
Asset Management
telephone: (0151 666 3879)
email: daviddickenson@wirral.gov.uk

APPENDICES
Location plan

REFERENCE MATERIAL