



## **ECONOMY, REGENERATION AND DEVELOPMENT COMMITTEE**

**Wednesday, 29 SEPTEMBER 2021**

<b>REPORT TITLE:</b>	<b>PROPERTY DISPOSALS</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF REGENERATION AND PLACE</b>

### **REPORT SUMMARY**

This report seeks approval to the disposal of three of the Council's property assets.

This matter affects the Oxton, Eastham and Rock Ferry Wards and is a key decision.

### **RECOMMENDATION/S**

It is recommended that the Economic, Regeneration and Development Committee requests that Policy and Resources Committee approves that:

- (1) 27 Balls Road, Oxton be declared surplus to requirements and authority be given to the Director of Law and Governance, in consultation with the Director of Regeneration and Place, to arrange for its marketing by auction and subsequent sale on the terms described in paragraphs 3.2 and 3.3. of this report;
- (2) Plymyard Cemetery Lodge, 996 New Chester Road, Eastham, be declared surplus to requirements and authority be given to the Director of Law and Governance, in consultation with the Director of Regeneration and Place, to arrange for its marketing through a local estate agency on the terms described in paragraphs 3.4 and 3.5. of this report;
- (3) In the event that a sale of Plymyard Cemetery Lodge through an estate agency is not achieved expeditiously, the Director of Law and Governance, in consultation with the Director of Regeneration and Place, be authorised to arrange for its marketing by auction and subsequent sale on the terms described in paragraphs 3.4 and 3.5. of this report;
- (4) The Director of Law and Governance, in consultation with the Director of Regeneration and Place be authorised to secure the sale of the Laser Engineering Centre to the current tenant, for £340,000 (excluding VAT) plus fees of £1,500.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION/S**

- 1.1 To meet targets for the generation of capital receipts from the sale of property assets and to dispose of surplus and non-operational assets.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 The other option is for the Council to retain ownership of these properties. However the properties have been considered by the Council's Capital and Assets Group and no alternative requirements by the Council were identified, consequently disposal is the preferred option.

### **3.0 BACKGROUND INFORMATION**

- 3.1 Set out below is the description and background to three properties which have been identified for disposal. Each has been considered by the Capital and Assets Group with an officer recommendation that they be sold to generate capital receipts which have been factored into the Council's financial forecast.

#### **27 Balls Road**

- 3.2 The property is located approximately opposite to the Williamson Art Gallery and is shown as the Appendix 1 plan. It was constructed around 1900 as a purpose built 3 storey house with basement, with a more recent outrigger added to the rear. The property is currently laid out with 7 bedrooms, 3 kitchens, 2 bathrooms, 2 offices, 1 lounge and basement storage. The property is now vacant, having previously been used for supported Living accommodation for adults with learning disabilities.
- 3.3 In order to secure a sale this financial year it is proposed that the property is sold by auction. The auctioneer has suggested a guide price for the disposal of this property in the range of £150,000 - £175,000, although a reserve sale price will be set prior to the auction by the auctioneer, based on the level of interest generated.

#### **Plymyard Cemetery Lodge**

- 3.4 Plymyard Cemetery Lodge is located at 996 New Chester Road, Eastham on the edge of Plymyard Cemetery directly adjacent to the New Chester Road entrance and is identified on the Appendix 2 plan. The lodge was the original gate house for Plymyard House and constructed in the 1800s. The house and grounds were purchased in 1938 with the main house being demolished in the 1960s. The grounds of the house are now Plymyard Cemetery and Plymyard Allotments. Although located on the New Chester Road adjacent to the Cemetery gates (which are now only used for pedestrian access) vehicular access to the lodge is from Bridle Road. The detached lodge comprises 2 reception rooms and a kitchen on the ground floor and 2 bedrooms and a bathroom upstairs, with an enclosed rear garden. The lodge is one of only a few residential properties which were retained by the Council following the transfer of its housing stock to Wirral Partnership Homes (now Magenta Living). Magenta Living managed the tenancy of this property until it became vacant.

- 3.5 Given the unusual nature of the property it is proposed that a local agent be instructed to market the property on the Council's behalf in order that prospective purchasers can fully consider its individuality and location. The agent has suggested an asking price in the region of £180,000 to £220,000 but will undertake to agree a sale at market value. In the event that a sale through an agent cannot be achieved in a suitable timeframe it is proposed that the opportunity be retained to offer the property for sale by auction to attempt to secure a capital receipt this financial year. Similar to the property above the auctioneer would recommend a reserve sale price based on the level of interest prior to the auction although this is likely to be lower than the indicated asking price of the estate agent due to the nature of the property.

### **The Former Laser Engineering Centre**

- 3.6 The Laser Engineering Centre is identified on the Appendix 3 plan and occupies a plot of approximately 2,697 sqm. The property was previously a training centre for Cammell Lairds but was acquired by the Council in 1997 and converted to a laser engineering facility for the University of Liverpool for research and development of laser equipment. The University of Liverpool vacated the building and it was subsequently leased to Quinnovations on a 7 year lease at a rent of £28,000 ex VAT per annum.
- 3.7 This property is part of a list of assets, presented to the Council's Capital and Assets Group, which have been identified for sale to meet targets for the generation of capital receipts. At a similar time to identifying this property for disposal, the lessee approached the Council with a request to purchase the Council's freehold interest. This would afford the tenant more security to establish its base which it intends to develop. In support of the request to buy the property, the lessee set out some of its activities and ambitions as follows:

*In response to Covid-19, Quinnovations has developed an agile response to emerging community needs and has enhanced the primary vision for the building utilisation. Innovative projects which focus on the environment will remain at the forefront of project development within the Laser Centre; however, I have also expanded our offer to help address the emerging critical social needs within the Wirral.*

*I have taken a collaborative approach with local partners to serve the needs of local charities, such as NEO and Hype Cycling, who are now based within the Laser Centre. Both of these companies make a massive impact to people on the Wirral, by distributing food hampers to those in need and providing bicycles for key workers and those in need of transport to provide accessibility to vital services.*

*Merseyside Community Training (CIC) is part of Quinnovations Group and has been delivering virtual mentoring sessions from the building for unemployed individuals on behalf of DWP. We are currently working with DWP to look at the feasibility of setting up a multi-agency hub for Wirral within the building to enhance support and employment opportunities for unemployed adults living in Wirral. We will encourage more local charities and businesses to collaborate with the hub.*

*Additionally, a young entrepreneurs programme for socially disadvantaged young adults will be rolled-out and will measure and publish the social and environmental impact of all projects delivered within the building on an annual basis.*

*To summarise, my intent is to grow a long-term sustainable business for the benefit of Wirral community and its environment in the most cost-effective manner, whilst providing greater control and freedom for its beneficiaries and stakeholders.*

- 3.8 A sale price in the sum of £340,000 (excluding VAT) plus fees has provisionally been agreed with the lessee. This figure is considered to be market value and has been independently ratified by a local commercial property valuer.
- 3.9 The proposed disposal of these properties has been considered and endorsed by the Council's Capital and Assets Group and the potential receipts have been factored into the Council's financial plan.

#### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 The sales will generate capital receipts as indicated in the report. The actual sale prices in respect of 27 Balls Road and Plymyard Cemetery Lodge will only be established at the time of sale.
- 4.2 The sale of the former Laser Centre will generate a capital receipt of £340,000 exclusive of VAT plus a contribution towards the Council's costs. The receipt will be in lieu of the annual rent of £28,000.
- 4.3 The estate agent and auctioneer costs will be deducted from the sale prices.
- 4.4 The receipts from these sales will contribute towards the capital receipts target contained within the current budget.

#### **5.0 LEGAL IMPLICATIONS**

- 5.1 The Council is obliged to obtain the best price reasonably obtainable under s 123 of the Local Government Act 1972. In respect of 27 Balls Road and Plymyard Cemetery Lodge, these will be marketed to demonstrate market value. In the case of the former Laser Centre, the negotiated price is believed to reflect market value and has been endorsed by an independent valuer.

#### **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

- 6.1 There are no IT or staffing implications arising from the disposal of this land.
- 6.2 The asset implications are the subject of this report.

#### **7.0 RELEVANT RISKS**

- 7.1 Failure to conclude the sales will impact on the anticipated capital receipts programme.

- 7.2 When selling by auction reserve sale prices will be set based on the recommendation of the auctioneer. Should bidding not meet or better the reserve, the sales will not proceed.
- 7.3 The Laser Engineering Centre benefitted from European Regional Development Funding in 2006 under the project heading "Engineering and Construction Centre". The total grant was £890,652 but with a maximum re-payable element in the sum of £545,652 should the terms of the grant fail to be complied with. The repayable element is also based on a diminishing scale over the 20-year life of the grant. On the face of it, the terms of the grant will still be met by the current occupier but will be subject to verification by the grant funding body. There is therefore a risk that the grant funding body may take a different view and an element of the grant will be repayable. This would, however, be the case whether or not the Council sells the freehold. If the Council sells the freehold there will at least be a capital receipt in place to cover the clawback.

## **8.0 ENGAGEMENT/CONSULTATION**

- 8.1 There are no engagement or consultation implications arising from the proposals set out within this report.

## **9.0 EQUALITY IMPLICATIONS**

- 9.1 There are no implications relevant to equality arising directly from this report.

## **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

- 10.1 The sale of these properties will not have any direct implications for the environment or climate.

## **11.0 COMMUNITY WEALTH IMPLICATIONS**

- 11.1 This report seeks to dispose of surplus assets which will bring them back in to use.

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## **APPENDICES**

Appendix 1 - Plan for 27 Balls Road, Oxton  
Appendix 2 - Plan for Plymyard Cemetery Lodge  
Appendix 3 - Plan for Laser Engineering Centre

## **BACKGROUND PAPERS**

Marketing advice from the agent and auctioneer.  
Independent valuation appraisal

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>