



POLICY AND RESOURCES COMMITTEE

Wednesday, 11 December 2024

REPORT TITLE:	STRATEGIC ASSET DISPOSAL UPDATE
REPORT OF:	DIRECTOR OF REGENERATION AND PLACE

REPORT SUMMARY

The purpose of this report is to provide an update on the current disposal programme which was approved at Policy and Resources committee on 12 July 2023.

In addition, the report seeks approval to declare further assets as surplus to requirements and to add them to the disposal programme.

The disposal programme will generate capital receipts which will help the council in delivering a number of the priorities of the Wirral Plan 2021-26.

The matter affects a number of Wards across the Borough and is a key decision.

The appendices attached to this report contain exempt information as defined in Schedule 12A of the Local Government Act 1972. It is in the public interest to exclude the press and public under Paragraph 3 'Information relating to the financial or business affairs of any particular person (including the authority holding the information).'

RECOMMENDATIONS

The Policy and Resources Committee is recommended to approve that:

1. the position of the current disposal programme be noted;
2. the following assets be declared surplus to requirements;
 - Conway Centre, Conway Street, Birkenhead,
 - Ivy Farm Cottage, Arrowe Park,
 - Pennant House, The Village, Bebington,
 - land at Upton Bypass, Upton,
 - former Laser Engineering Centre, Campbeltown, Birkenhead.

3. the Director of Regeneration and Place, in consultation with the Director of Law and Corporate Services, be authorised to:
 - (a) consider and determine any responses or objections to the sale of any of the assets listed at recommendation 2 above which are considered to be open space as defined by Section 123 of the Local Government Act 1972 and progress and conclude sales of the assets on the best terms reasonably possible:
 - (b) consider and determine any responses or objections to the sale of the land comprising open space at Old Clatterbridge Road, Bebington as defined by Section 123 of the Local Government Act 1972 and to progress the sale of the land at Old Clatterbridge Road, Bebington to the residents on the terms set out in paragraph 3.14 of this report; and
 - (c) progress with a procurement process for the appointment of a development partner to deliver affordable housing on Bebington Town Hall and former Council offices, Seaview Road, Liscard, and appoint the best performing bidder(s).

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 The Council has developed a disposal programme of surplus assets and Members are asked to note the current position.
- 1.2 Officers continue to seek opportunities to identify surplus assets and progress sales, as set out in the report.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The Council needs to continue to make savings on its property portfolio and to generate capital receipts. The disposal programme, along with further reviews of the estate, is considered the best way to achieve this. As a consequence, no other options have been considered.

3.0 BACKGROUND INFORMATION

- 3.1 The Council, at its meeting of the Policy and Resources Committee of 9th November 2022, approved the Council's Asset Strategy 2022-2027. The strategy identified the need to establish a 5-year strategic property asset disposal programme.
- 3.2 This programme was also required by the Capitalisation Directive. Standard accounting practice does not allow capital funding sources, which are ordinarily related to the acquisition, construction or enhancement of non-current assets, to be used for revenue expenditure purposes i.e. day-to-day expenditure including salaries, utility bills and service contract payments. The Capitalisation Directive is a means for the government to permit the Council to not comply with the above standard accounting practice by granting permission, with specific conditions, for capital funding, such as external borrowing, to be used for specified revenue expenditure. To demonstrate to the Ministry of Housing Communities and Local Government that the Council had sufficient assets for disposal the Council had to demonstrate that it can meet the capitalisation sum. The Capitalisation Directives of 2020/21 and 2021/22 were granted following an application to permit the use of capital streams to fund revenue expenditure incurred by the Council in respect of the pressures or income losses emanating from financial pressures.
- 3.3 In response to this, a review was undertaken of the Council's assets and a list of assets was proposed for disposal to the Policy and Resources Committee at its meeting of 12th July 2023. At that meeting, Members approved the disposal of 24 assets. In addition, the report also identified assets which were already in the disposal programme. Below is an update on the current position:

Sold Properties

- 3.4 Since the disposal programme started the Council has completed on the disposal of the following properties:
 - 29 Seaview Road, Wallasey;
 - 129 Laird Street, Birkenhead;
 - 4 Albion Street, New Brighton;

- Fender Way;
- Egerton House;
- Former Foxfield School, Moreton;
- Seven Parcels of land in Fourth Avenue, Beechwood;
- Treasury Building Annexe;
- Dee Lane Kiosk;
- 6 , Manor Road, Wallasey.

These sales have generated gross capital receipts of £5,562,000.

Agreed Sales

3.5 In addition to the completed sales the Council has provisionally agreed terms for the sale of the following properties:

- Bromborough Civic Centre.
- MOD Old Hall Road.
- Oaklands.
- Kelvinside.

Should these sales complete at the provisionally agreed figures, a usable capital receipt will be generated in the region of £7,700,000. This would give a total receipt including the completed sales of around £13,255,000 which exceeds the Capitalisation Directive sum.

Properties Currently on the market

3.6 The following properties are currently on the market:

- Land at Ditton Lane site, Moreton. The link to property details is below
[Development Commercial Property For Sale in Ditton Lane, Leasowe, Wirral, CH46 4TH | LSH](#)
- Eastham Youth Centre. The link to property details is below.
[Commercial properties for sale & lease in the UK & Ireland | LSH](#)

Auction Properties

3.7 A number of properties have been recommended for disposal by auction by the Council's appointed property consultants. The Council has already had some success with sales at auction, with six of the completed properties having been sold that way. Future disposals by auction are being scheduled with indicative timings shown below.

Expected December 2024:

- Bedford Place compound, Rock Ferry.

Expected January 2025:

- Seacombe Library;
- Pearson Road cleared Site, Tranmere; and
- Plymyard Cemetery Lodge, Bromborough.

3.8 The timing of auctions is dependent on a number of factors and may be altered based on the level of interest.

Preparing for marketing.

3.9 The Council is preparing to dispose of the following assets, although the method of disposal has not yet been determined:

- Hamilton Building

3.10 Affordable Housing sites.

As part of its July 2023 decision on disposals this Committee agreed that several sites may be suitable for affordable housing and should be considered where specific affordable housing mixes were required. Each of these sites were considered individually and where appropriate discounted due to a number of factors including viability, location, layout, requirement for alternative retail use or planning constraints. These sites have or are being progressed as detailed within this report through other disposal routes.

3.11 Members asked that the Bebington Town Hall site specifically be considered for exploration for an extra care facility. This has been explored further and following consideration the site would not meet distances under planning policy to meet the model for extra care for older people to be viable and operate. It is however suitable for a mixed scheme with a smaller specific supported housing scheme to meet identified social care priorities for those with social care needs.

3.12 However, a specific mix of housing types cannot be achieved through a traditional disposal route. To achieve this a procurement programme is proposed.

Ongoing discussions

3.13 Negotiations are on-going with regard to the following sites:

- Former Clare Mount Specialist Sports college – discussions are ongoing with a local sports club.
- Laser Engineering Centre. Economy, Regeneration and Development Committee at its meeting of 29 September 2021 approved the disposal of this asset. The approval was to sell the freehold to the sitting tenant for a valuation at that time. The tenant has, so far, been unable to complete the transaction. Given the timescales, an updated valuation will be commissioned. Members are therefore asked to approve the sale at the revised figure. Members are further asked that, should the tenant be unable to progress the purchase in a timely manner, officers be authorised to progress a sale on the open market on the best terms possible.

Later Sales

3.14 The following disposals will be delivered later in the programme. In each case they require some work in respect of the current tenants:

- Marine Technology Park. - Two office elements were recently let. Officers are working with property consultants to determine an appropriate method of disposal;

- Wirral Business Centre. - Officers are working with property consultants to determine whether to re-profile the current leases-
- Coronation Gardens Café. Finalising the lease renewal for the current tenant.

Regeneration Sites

- 3.15 Price Street Car Park is currently being used for delivery of the Town Centre highway improvement scheme and once completed, the method of disposing of this site will be considered.

Other Sites

- 3.16 The sale of the Pacific Road site to the Chamber of Commerce is not currently proceeding. As regards Arrowe Hill Stores, this property is being considered to support future SEND provision.
- 3.17 In July 2023 decision, this Committee approved the disposal of the land located in Old Clatterbridge Road, Bebington on condition that the adjoining property owners, including Claremont Farm, were given an option to purchase. To inform this, a valuation report was commissioned by the Council's property consultants. Their view was that this would be a difficult site to develop and valued it accordingly at £45,000. The residents were invited to submit an offer and produced a combined offer of £35,000. Clearly this is below the market value but is the most they were willing to offer.
- 3.18 Members will be aware of the Council's obligation to obtain the best price reasonably obtainable on the disposal of its land and property. However, under the Government's General Disposal Consent, the Council does have the power to sell at an undervalue (and restrict the value of land by imposing restrictions as to its use) on the grounds that the Council considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any part of its area, or of all or any persons resident or present in its area:
- i) the promotion or improvement of economic well-being;
 - ii) the promotion or improvement of social well-being;
 - iii) the promotion or improvement of environmental well-being;

provided also that any such restriction in value does not exceed two million pounds, per transaction. Although the offer submitted would be at an undervalue by £10,000, it would enable the adjoining property owners to make use of this land which would meet the criteria for (ii) above in respect of the residents using it. It is therefore recommended that the land is sold with a restriction for use as garden land only, with the added provision of overage provision should the use of the land ever change.

Further Proposed Sales

- 3.19 Officers continue to review assets and plan to bring more properties forward for disposal in the future. This aligns with a review of assets in conjunction with emerging work on the customer experience, which could see the centralisation of staff in offices at Mallory and Wallasey Town Hall which would enable a number of to

release currently operational buildings to be brought forward for disposal. This is likely to be the subject of a further report or updates to Committee.

- 3.20 Appendix B provides details of a further 4 properties which Members are asked to declare as surplus to requirements so that they can be added to the disposal programme. These properties are:

Conway Centre, Conway Street, Birkenhead:
2 Ivy Farm Cottage, Arrowe Park Road:
Pennant House, The Village, Bebington: and
Land at Upton Bypass, Upton

4.0 FINANCIAL IMPLICATIONS

- 4.1 The disposal of assets will generate capital receipts. Estimated receipts are listed in appendix A, but the final disposal price will be based on a marketing exercise or specific advice from the appointed property consultants.
- 4.2 The non income producing properties will all have holding costs. In the case of cleared sites, this could be grass cutting and removal of fly tipping. For buildings, the holding costs may include, business rates, energy costs, security, insurance, repairs etc. Where known, or can be estimated, these costs are identified in the appendices.
- 4.3 In the case of income generating properties, the capital receipt will be in lieu of annual income.
- 4.4 Consultancy / Agency fees will arise from the marketing and advising on each sale.

5.0 LEGAL IMPLICATIONS

- 5.1 The Council has a duty to efficiently manage its assets and has wide powers to acquire, hold, appropriate, develop and dispose of land under Sections 120 – 123 of the Local Government Act 1972, Part 2 of the Housing Act 1985, the Local Authorities (Land) Act 1963 and the Town and Country Planning Act 1990 (amongst other powers). The disposal of the sites and the proposed competitive procurement process in respect of Bebington Town Hall and former Council offices, Seaview Road, Liscard is deemed to fully comply with this obligation and meets the Council's objectives for achieving best consideration reasonably obtainable for the land and promoting regeneration in the area.
- 5.2 Where the properties include land which is open to public access a proposal to dispose may need to be advertised in the local press in accordance with the Local Government Act 1972. In the case of completed sales this have been undertaken with no objections having been received. In the case of future sales, any agreed sale will be subject to the outcome of this process.
- 5.3 Where property is held for a particular purpose, usually the relevant Policy and Service Committee with responsibility for the site should be asked to consider declaring the site surplus to requirements with Policy and Resources Committee deciding on any such site if the value of the site is in excess of £500,000. Policy and

APPENDICES

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Appendix A: List of Assets

Appendix B: Asset details

BACKGROUND PAPERS

Corporate Property Board papers (exempt).

TERMS OF REFERENCE

This report is being considered by the Policy and Resources Committee in accordance with Section 1.2b.iv of its Terms of Reference, regarding land and property including major acquisition and disposals, which includes reserved decision making concerning any purchase, sale or transfer of a value in excess of, or likely to exceed, £500,000.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Strategic Asset Disposals – Policy and Resources Committee	12 July 2023