



## **POLICY AND RESOURCES COMMITTEE**

**Wednesday, 19 March 2025**

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

### **REPORT SUMMARY**

The purpose of this report is to declare the former Wallasey Town Hall annexes sites as surplus to requirements and also to a disposal on the basis set out in the report.

In addition, this report seeks to declare the Grange and 126 Bedford Road as surplus to requirements.

The report also seeks approval to the disposal of 126 Bedford Road on the open market. The Grange will require more consideration as to what can be included in a sale.

The report supports the Council Plan: Wirral Working Together 2023-27, specifically the Efficient, Effective and Accessible Council theme.

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

Appendices B and C 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).'

### **RECOMMENDATION/S**

The Policy and Resources Committee is recommended to:

1. Declare as surplus to the Council's requirements:
  - a. the former Wallasey Town Hall annexe sites Brighton Street, Wallasey CH44 8ED;
  - b. The Grange, Grove Road, Wallasey CH45 0JA;
  - c. 126 Bedford Road, Rock Ferry, CH42 2AS; and
  
2. Authorise the Director of Regeneration and Place, in consultation with the Director of Law and Corporate Services to:

- a. Commence a procurement process to secure a development partner for the re-development of the Wallasey Annexe sites and to appoint the preferred tenderer arising out of that procurement process.
- b. negotiate and conclude a sale on the best terms reasonably obtainable in respect of 126 Bedford Road.

## **SUPPORTING INFORMATION**

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

- 1.1 To enable the Council to optimise its operational estate and reduce the number of assets that it requires and to dispose of surplus assets.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 In respect of the former Wallasey Town Hall annexe sites, the Council has commissioned property consultants to advise on the potential for sale and the best route to procuring the preferred scheme. This has explored and dismissed other routes to disposal.
- 2.2 Officers are reviewing the Council's operational estate with a view to identifying which assets will no longer be required moving forward. The assets identified are the first phase of the review having considered other properties and options.

### **3.0 BACKGROUND INFORMATION**

#### **The former Wallasey Town Hall Annexe Sites**

- 3.1 The former annexe buildings to Wallasey Town Hall were vacated some years ago and were demolished last year. The sites are now cleared and hoarded off. The sites are identified on the plan in appendix A.
- 3.2 The Council's Economy, Regeneration and Housing Committee on 3 December 2024 approved the Wallasey Town Hall Quarter Masterplan as the Council's approved dynamic long-term planning strategy for Seacombe (The Masterplan sets out a vision for the redevelopment of the Annexe sites to deliver high-density new homes and act as a catalyst for the regeneration of the wider area).
- 3.3 In August 2023, the Council secured £2.3m of capital funding via One Public Estate's Brownfield Land Release Fund 2 (BLRF2). The capital funding is available to support the delivery of new homes and can be used for site remediation and enabling works. The Council contracted J Freeley Ltd in January 2024 to demolish the North and South Annexes, utilising BLRF2 funding. The works are now complete.
- 3.4 The Council has identified an opportunity, supported by the approved Wallasey Town Hall Masterplan and BLRF2, to redevelop the sites as a residential scheme. The funding requires specific housing outputs which cannot be delivered through a straightforward sale but requires a procurement process. The Council has appointed Lambert Smith Hampton (LSH) to provide viability advice on the scheme and also on the most appropriate procurement approach which is informed by soft market testing.
- 3.5 LSH has completed a soft market test which has resulted in identifying 5 potential purchasers. Following the soft market testing LSH has considered four delivery options including a Sale, Joint Venture, Developer Partner and a Direct Delivery Development. The advice from LSH is that the Council pursues a Development Partner through a procured competitive dialogue approach. The recommendation from LSH is considered to be sound on the basis that it will enable the Council to

impose positive obligations on the partner, providing the ability to specify design and delivery principles, quality and programme via the Development Agreement, whilst at the same time passing on the risk to the development partner.

### **Estate Transformation**

3.6 Since the occupation of the Mallory office building by Council staff and the planned increased occupation of Wallasey Town Hall, officers have been reviewing the wider operational property estate, along with service providers, with a view to identifying the potential to relocate staff, the main purpose being to identify and release surplus assets. This process aligns with the Council's Asset Strategy and also aims to support the Council's current budget pressures.

3.7 This process has identified the following properties so far as potentially surplus to requirements:

**The Grange.** A three-storey stone building constructed around 1862 as Wallasey Grange. The property is located adjacent to Warren Golf Course and has been used latterly for offices, a café and community space, together with facilities for local golf clubs. It sits in the context of an amenity space adjacent to The Warren golf course. The facility also includes a golf pro shop, public toilets and a car park. Whilst the elements of the building to be vacated by the Council will be surplus to requirements, further work will be required to understand what can and cannot be included in a future sale.

**126 Bedford Road.** This the ground floor only of a three-storey building located on the corner of Bedford Road and New Chester Road, Rock Ferry. The building has been used by the Council's Occupational Health provider.

Further detail around these properties is included in appendix B.

3.8 These properties are still occupied by Council staff or services, but with plans in place to implement staff relocation. There is some merit in declaring these properties as surplus prior to them becoming fully vacant as it will provide the authority for officers to start the marketing process for the sale of the properties whilst they are still occupied. This will assist in mitigating holding costs and reducing the risk of anti-social behaviour which increases when properties become vacant.

3.9 It is proposed that 126 Bedford Road be declared surplus to requirements and offered for sale on the open market. In respect of The Grange, it is proposed that the facility occupied by the Council is declared surplus to requirements and that further work is undertaken to understand the potential of what can be offered as part of a future sale.

### **Disposal Programme Update**

3.10 Policy and Resources Committee at its meeting of 12 July 2023 considered a report which set out the need to identify surplus assets for disposal. Table 1, below, provides an update on completed sales thus far:

3.11 *Table 1 – Completed Sales*

<b>Property</b>	<b>Sold Price</b>
29 Seaview Road, Wallasey	£86,000
129 Laird Street, Birkenhead	£54,000
4 Albion Street, New Brighton	£182,000
Fender Way Scout Hut, Beechwood	£166,000
Egerton House, Birkenhead	£1,975,000
Former Foxfield School, Moreton	£2,600,000
Seven Parcels of land in fourth Avenue, Beechwood	£30,000
Treasury Building Annexe, Birkenhead	£270,000
Dee Lane Kiosk	£117,000
6 Manor Road, Wallasey.	£82,000
Bedford Place compound, Rock Ferry.	£185,000
Plymyard Cemetery Lodge (Pending completion)	£125,000
<b>Total</b>	<b>£5,872,000</b>

3.12 An update on future sales anticipated within the wider disposal programme is included in the exempt appendix C.

#### **4.0 FINANCIAL IMPLICATIONS**

4.1 From the total BLRF2 grant fund, £557,820.77 has been used to fund the demolition of the Annexe sites. These works are now complete.

4.2 The disposal of assets will generate capital receipts. Estimated receipts are listed in appendix B, but the final disposal price will be based on a marketing exercise or specific advice from the appointed property consultants.

4.3 The properties have operating costs which may include, business rates, energy costs, security, insurance, repairs etc the budget for which is set out in appendix B.

4.4 Consultancy / Agency fees will arise from the marketing and advising on each sale.

#### **5.0 LEGAL IMPLICATIONS**

5.1 When disposing of property assets, the Council is obliged to obtain the best price reasonably obtainable under s 123 of the Local Government Act 1972. The use of property consultants will assist in ensuring that this is achieved.

5.2 A Grant Funding Agreement is in place between the Council and the Ministry of Housing, Communities and Local Government (MHCLG) regarding the BLRF2 grant. To secure the housing outputs required as part of the grant, the Council will need to appoint a developer via a procurement process.

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

6.1 The Estate Transformation properties are occupied by council staff. Staff will need to be relocated as part of this proposal.

- 6.2 IT equipment will need to be removed from these properties.
- 6.3 The disposal of these assets is in keeping with the Council's Asset Strategy.

## **7.0 RELEVANT RISKS**

- 7.1 The funding for the Annexe project has challenging timescales and failure to meet them could result in clawback of the grant fund. To mitigate this, clear project management mechanisms will be put in place to track milestones.
- 7.2 In respect of the annexe sites, due to the specific outputs required, there may be a lack of demand. The soft market testing exercise aims to inform the process prior to committing to a procurement process.
- 7.3 The Estate Transformation properties will need to be vacated by Council staff prior to disposal. Officers will need to work with service users to identify appropriate alternative accommodation. The opportunity to declare these properties as surplus assets prior to them becoming vacant, should mitigate holding costs of vacant assets and reduce the potential for anti-social behaviour.
- 7.4 The disposal of assets which have previously accommodated valued services or activities can prove unpopular with the public. It is important to ensure that the services are more appropriately accommodated prior to relocation and subsequent disposal of the asset.

## **8.0 ENGAGEMENT/CONSULTATION**

- 8.1 Engagement has started with service users in respect of the Estate Transformation properties and will continue until alternative premises are identified and staff relocated.
- 8.2 In respect of the annexe sites, there has been a soft market testing exercise with prospective developers and the Council has undertaken detailed engagement and consultation on the proposals contained in the Wallasey Town Hall Quarter Masterplan.

## **9.0 EQUALITY IMPLICATIONS**

- 9.1 There are no direct equality implications arising from this report.

## **10.0 ENVIRONMENT, BIODIVERSITY AND CLIMATE CHANGE IMPLICATIONS**

- 10.1 The disposal of assets should reduce the Council's energy consumption and therefore carbon emissions. However, any future use of the buildings will still contribute to the wider borough emissions and the Cool Wirral target of net carbon zero by 2041.
- 10.2 The disposal of buildings requires that Energy Performance Certificates are provided which show the rating of buildings along with methods of improving efficiencies.

Where properties are to be redeveloped, they would need to be constructed according to current energy efficiency requirements.

## **11.0 COMMUNITY WEALTH IMPLICATIONS**

11.1 The sale of some of these assets will bring forward redevelopment opportunities and bring previously vacant properties back in to use. Securing social value will be a key consideration during the procurement process

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## **APPENDICES**

Appendix A: Annexe site plans

Appendix B: Estate Transformation asset information (EXEMPT)

Appendix C: Disposal programme update (EXEMPT)

Appendices B and C 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).

## **BACKGROUND PAPERS**

Lambert Smith Hampton Options report

## **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)**

<b>Council Meeting</b>	<b>Date</b>
<b>Adoption of Masterplans (Woodside and Wallasey Town Hall Quarter) – Economy, Regeneration &amp; Housing Committee</b>	<b>4 December 2024</b>