



POLICY AND RESOURCES COMMITTEE

Wednesday 16 March 2022

REPORT TITLE:	DISPOSAL OF INDUSTRIAL ESTATE AT QUARRYBANK STREET, BIRKENHEAD
REPORT OF:	DIRECTOR OF LAW AND GOVERNANCE

REPORT SUMMARY

This report seeks approval for the disposal of Quarrybank Industrial Estate, Quarrybank Street, Birkenhead, a Council owned investment asset.

The Wirral Plan 2021-2026 has been developed and the focus covers the following five themes:

- Safe & Pleasant Communities
- Brighter Futures
- Active and Healthy Lives
- Sustainable Environment
- Inclusive Economy

The sale will support the Plan and its delivery through the generation of a capital receipt.

The associated Report of the Director of Regeneration and Place and the full Minutes of the Economy, Regeneration and Development Committee of 26 January 2022 are appended to this report.

RECOMMENDATION/S

The Policy and Resources Committee is asked to consider the request from the Economy, Regeneration and Development Committee to approve that:

- 1) Quarrybank Industrial Estate, Quarrybank Street, Birkenhead be declared surplus to requirements; and
- 2) Delegated authority be given to the Director of Law and Governance, in consultation with the Director of Regeneration and Place, to arrange for its disposal by auction and subsequent sale on the basis as set out in paragraph 3.3 of this report.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 To meet targets for the generation of capital receipts from the sale of non-operational property assets.
- 1.2 The Council's Policy and Resources Committee at its meeting of 30 November 2021, amongst other matters, endorsed the recommendations of CIPFA' s Local Government Finance Review in which included a recommendation to:

"Identify asset disposals to offset the risk of increased council borrowing which could fund the repair and maintenance of existing council assets or the cost of the capitalisation direction or future potential regeneration projects."
- 1.3 The proposals within this report are in furtherance of the implementation of the above recommendations.
- 1.4 The disposal will also remove any potential liabilities, including management obligations in respect of the property.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 Other options have been considered and are included within the minutes of the Economy, Regeneration and Development Committee and the appended report.

3.0 BACKGROUND INFORMATION

- 3.1 Quarrybank Industrial Estate comprises a site area of 3025sq.m (0.75 acre) and is located off Quarrybank Street, between Oxton Road and Borough Road, Birkenhead, The site was developed in the early 1980s with 16 single storey terraced industrial units, set out in three blocks around a communal parking area. The units vary in size between 500 and 1000 sq ft and 100% of the units are currently let and managed by the Council's Asset Management Section. The tenants are responsible for the maintenance of their individual units.
- 3.2 The majority of tenants have 6-year lease agreements with a 6-month option to break which causes fluctuations in the income received as units become vacant and are re-let. The break clauses enable small businesses to expand their operations if required
- 3.3 In order to secure a sale in 2022 it is proposed that the property is sold by auction. This method of disposal has previously proved successful on two other similar disposals. The auctioneer has suggested a guide price for the disposal of this property in the range of £475,000- £525,000, although a reserve sale price will be set prior to the auction by the auctioneer, based on the level of interest generated.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The sale will generate a capital receipt as indicated in the report. The auctioneer has suggested a guide price for the disposal of this property in the range of £475,000-£525,000, although a reserve sale price will be set prior to the auction by the auctioneer, based on the level of interest generated. The actual sale price will only be established at the time of sale.
- 4.2 In disposing of the property the Council would forego the annual rent in lieu of the capital receipt which will be managed within the Regeneration and Place Budget Envelope. Over the previous three years the estate generated an average gross income of £56,892 per annum and an average net income of £53,291 per annum. Information obtained from the Council's Financial forecast budget figures indicates that the projected gross income for 2021-2022 is £63,750 and the projected net income for 2021-2022 is £58,477.
- 4.3 The auctioneer's costs will be paid by the purchaser. In addition, the purchaser will pay the Council 2% of the gavel price, with a minimum of £1,000 towards the Council's fees. If the property does not sell, no costs will be charged to the Council.
- 4.4 The receipt from the sale will contribute towards the capital receipts target contained within the current budget.
- 4.4 In accordance with the Council's Constitution any sale of land or property by a Committee or officer of a value of in excess of £100,000 is reserved to Policy & Resources Committee

5.0 LEGAL IMPLICATIONS

- 5.1 In accordance with Part 3B of Constitution (Committee Terms of Reference), the Policy and Resources Committee has two main areas of responsibility, which is to provide strategic direction to the operation of the Council, including making decisions on policies and co-ordinating spend not reserved to full Council, and to maintain a strategic overview of outcomes, performance, risk management and budgets.
- 5.2 The Policy and Resources Committee is charged by full Council to provide a co-ordinating role across all other service committees and retain a 'whole-council' view of performance, budget monitoring and risk management. In particular, this includes specific responsibility for a decision on any sale of land or property by a Committee or officer of a value of in excess of £100,000.
- 5.3 As part of the matter of business that was the subject of the report to Economy, Regeneration and Development Committee falls under that responsibility reserved to the Policy and Resources Committee, the Economy, Regeneration and Development Committee's resolution is presented as a recommendation.
- 5.4 As the decision in this matter is the subject of a recommendation from another Committee, the Policy and Resources Committee must take into account the resolution of that Committee and give due regard to the guidance and comments made by its members. The Policy and Resources Committee must not, however, consider itself bound by that Committee's recommendations or otherwise fetter its

discretion; its Members must come to their own decision. In doing so, the Committee must satisfy itself that it has been provided with all relevant information or a suitable précis to enable it to comply with its duties and make a lawful decision.

5.5 Other legal considerations are as set out in the appended report.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 This report is for information only and does not contain any direct resource implications.

7.0 RELEVANT RISKS

7.1 The relevant risks are covered in the original report submitted to the Committee.

8.0 ENGAGEMENT/CONSULTATION

8.1 Engagement and Consultation were covered in the original report submitted to the Committee.

9.0 EQUALITY IMPLICATIONS

9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.

9.2. Whilst there are no equality implications arising from this report, the associated actions arising from the delivery may need to assess any equality issues and mitigate any negative impact that may emerge.

7.0 RELEVANT RISKS

7.1 The risks were covered in the original report submitted to the Committee.

8.0 ENGAGEMENT/CONSULTATION

8.1 Engagement and Consultation were covered in the original report submitted to the Committee.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 The sale of this property will not have any direct implications for the environment or climate.

11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 The property is being sold as an investment asset and is likely to be operated as such by the purchaser, therefore the existing employers and employees should be unaffected. Future investment will allow more local development and hopefully the possibility of more local investment and job opportunities.

REPORT AUTHOR:

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APPENDICES

Appendix 1 Minute Extract

Appendix 2 Full Report

BACKGROUND PAPERS

Valuation advice from Lambert Smith Hampton

Negotiated head of terms

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Economy, Regeneration and Development Committee	26 January 2021