

REPORT TO: Executive Board

DATE: 25 February 2016

REPORTING OFFICER: Strategic Director – People and Economy

PORTFOLIO: Resources

SUBJECT: The Establishment, Victoria Square, Widnes

WARDS: Riverside

1.0 PURPOSE OF THE REPORT

1.1 To report on the proposed sale of the Council's reversionary freehold interest in The Establishment (Former Halton Business Forum)

2.0 RECOMMENDATION: That

- 1) Members approve the disposal of the Freehold Interest on the basis set out in the report; and**
- 2) The Operational Director for Economy Enterprise and Property, be authorised to arrange for all required documentation to be completed to the satisfaction of the Operational Director, Legal and Democratic Services.**

3.0 SUPPORTING INFORMATION

3.01 The former Halton Business Forum, now known as The Establishment and shown edged red on the plan (Appendix 1) is currently leased to SJL Leisure Ltd for a term of 150 years from 7th November 2008. A premium was paid on completion and the lease is subject to a peppercorn rental.

3.02 The original proposal was for the leaseholder to develop the site for a hotel and a substantial two storey extension was built at the rear of the original listed building to facilitate this.

3.03 Due to the downturn in the economy at the time the original proposal never came to fruition and the rear of the ground floor and the whole of the first floor of the building have remained unoccupied, with the new extension still a shell. The only area of the building that is being used is the ground floor bar.

- 3.04 The leaseholder does not consider it financially viable to go ahead with the original hotel proposal, despite the economy showing signs of improvement, there is now greater competition in the area with the development of the Premier Inn at The Hive, which is to be extended this year to provide a further 27 bedrooms.
- 3.05 Alternatively he would now like to develop the vacant areas to provide office space and currently there is interest from a firm of solicitors who wish to occupy part of the building.
- 3.06 Since the closure of both Moor Lane and Waterloo Business Centres there has been a lack of office accommodation close to Widnes Town Centre suitable for small and medium enterprises, it is considered that the proposal will help to redress this as well as bringing a prominent building into full use.
- 3.07 In order to facilitate this proposal the leaseholder has enquired whether the Council would be prepared to dispose of its Freehold Interest in the site. This would give him a clean title which would be a more attractive asset for financial institutions to lend against.
- 3.08 There is only nominal value in the Freehold Interest in view of the length and terms of the lease, however, the leaseholder has agreed to pay £20,000 to the Council plus our professional costs in recognition that he will have an unencumbered title, this is to be paid as follows:
- 35% to be paid on exchange of contracts
 - 35% plus professional fees to be paid on completion
 - 30% to be paid within 2 months of completion subject to interest at 4% above base rate on any late payment and a charge being placed against the title.

4.0 POLICY AND FINANCIAL IMPLICATIONS

- 4.01 The proposal will bring a capital receipt to the Council of £20,000
- 4.02 The proposal will reduce the Council's management liabilities.

5.0 OTHER IMPLICATIONS

- 5.01 None

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

None

6.2 Employment, Learning and Skills in Halton

It is anticipated that the proposal would create employment opportunities.

6.3 A Healthy Halton

None

6.4 A Safer Halton

None

6.5 Halton's Urban Renewal

It is hoped that the environment around the building will be enhanced by its further development and use.

7.0 RISK ANALYSIS

7.01 The risks associated with the proposal are:

7.02 The Council would lose a degree of control over the future use of the building although this will continue to be monitored under the Planning Regulations and by Historic England in respect of the listed elements of the building.

8.0 EQUALITY AND DIVERSITY ISSUES

None

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None.