

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	3213
Author:	Rizvan Shafiq
Department:	Development and Growth
Contact:	Rizvan Shafiq (Job Title: Senior Estates Surveyor, Email: rizvan.shafiq@nottinghamcity.gov.uk, Phone: 8763087)
Subject:	Sale of Council's freehold interest - 3,539 sq yards of land known as Williams Old Court, Lambourne Drive, Wollaton, Nottingham, NG8 1GZ
Total Value:	See exempt appendix (Type: Capital)
Decision Being Taken:	To authorise the sale of the Council's freehold interest (which is subject to a 75 year lease) in premises known as Williams Old Court, Lambourne Drive, Wollaton, Nottingham, on terms contained within the exempt appendix.
Reasons for the Decision(s)	<p>The subject property is located approximately 3 miles west of the City Centre on Lambourne Drive. Lambourne Drive can be accessed off Wollaton Road (A609) providing good access to the city's ring road.</p> <p>The property comprises sheltered accommodation for the elderly providing living accommodation with support from a residential warden consisting of one bedroom flats and studios together with other various communal facilities.</p> <p>The property is let on a 75 year lease with effect from 1965 at a fixed ground rent £304 per annum exclusive with no reviews and is currently let to Mansfield Road (Nottingham) Baptist Housing Association Limited.</p> <p>The freehold sale will provide increased security for the tenants encouraging their investment into the property. In addition, the Council will receive a capital payment into the Trading Account.</p>

Other Options Considered:

To continue with the current lease terms - this option was rejected as there is potential for the Council to receive a capital receipt and encourage investment.
The Council sell its freehold interest in the property on the open market, by private treaty or auction - This option is rejected. A purchaser from the open market would only consider purchasing the property as an investment or for future development potential. Bearing in mind that the current lease has 22 years unexpired term, it is not considered that an investor would be prepared to pay as much as the current leaseholder for the Council's freehold interest. The sale to the applicant will generate the highest capital receipt for the Council due to the applicant being regarded as a special purchaser in acquiring the Council's freehold, and will pay a premium for the amalgamation of these two interests.

Background Papers:

None

Published Works:

None

Affected Wards:

Wollaton West

Colleague / Councillor Interests:

None

Any Information Exempt from publication:

Yes

Exempt Information:

Description of what is exempt:

Exempt Appendix (financial details and terms agreed)

An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972

3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The public interest in maintaining the exemption outweighs the public interest in disclosing the information because disclosure of the terms could prejudice future negotiations that the Council undertakes.

Documents exempt from publication:

2018.05.29 - Exempt Appendix William Old Court.docx

Consultations:

Date: 10/05/2018

Ward Councillors: Steve Battlemuch, Jim Armstrong, Cate Woodward

No objections or issues were raised

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

None

Equality:

EIA not required. Reasons: This is not a new or changing policy, service or function. The decision adheres to all Council Equality policies.

Relates to Council Property Assets:

Yes

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

25/07/2018

Advice Sought:

Legal, Finance, Property

Legal Advice:

Following discussion with the author of the report and on the basis of the information provided, the proposal as set out in the report does not appear to raise any substantial legal issues. Advice provided by Mick Suggett (Team leader: Conveyancing) on 06/06/2018.

Finance Advice:

Property trading account will lose annual income from this property but the capital receipt will support either future investment purchases or will be used to improve the standard of other traded properties to generate more income. Advice provided by Mandy Bryce (Finance Analyst) on 30/05/2018.

Property Advice:

This is a Property report. No further advice is required. Advice provided by Rodney Alan Martin (Senior Surveyor) on 29/05/2018.

Signatures

Jon Collins (Leader & PH for Regeneration and Growth)

SIGNED and Dated: 18/07/2018

David Bishop (Deputy CE, CD for Development and Growth)

SIGNED and Dated: 05/07/2018