

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	4103
Author:	Rodney Alan Martin
Department:	Development and Growth
Contact:	Rodney Alan Martin (Job Title: Development Manager, Email: rod.martin@nottinghamcity.gov.uk, Phone: 01158763075)
Subject:	Sale of 135 to 137 Lower Parliament Street and adjoining Arena (Brook Street) car park, Nottingham
Key Decision (decision valued at more than £1million):	Yes
Total Value:	Contained within the exempt appendix (Type: Capital)
Decision Being Taken:	<p>To agree terms, as set out in the exempt appendix, for the sale of the freehold interest in 135 to 137 Lower Parliament Street and the adjoining Arena (Brook Street) car park.</p> <p>To agree terms, as set out in the exempt appendix, for the 999 year lease back of 48 car parking spaces following completion of the proposed development.</p> <p>To approve any licenses, easements, wayleaves or other forms of agreement that may be required to facilitate the proposed transactions.</p> <p>To delegate authority to the Director of Economic Development and Property to agree the final sale price within the parameters set in the Heads of Terms and any variations in the proposed terms that may be required to facilitate the proposed freehold sale of the property and 999 year lease back of 48 car parking spaces.</p>

Reasons for the Decision(s) Delegated Decision 3536 declared surplus 135 to 137 Lower Parliament Street and the adjoining Arena (Brook Street) car park. That decision also approved the demolition of 135 to 137 Lower Parliament Street and the marketing for sale of 135 to 137 Lower Parliament Street and the adjoining Arena (Brook Street) car park.

135 to 137 Lower Parliament Street has now been vacated and demolished. 135 to 137 Lower Parliament Street and the adjoining Arena (Brook Street) car park have been placed on the open market for sale via a national marketing campaign with a closing date for offers set. The marketing material included Approved Informal Planning Guidance and offers were sought in line with that guidance.

Within the original decision to declare surplus and sell the site the Head of Parking, Fleet and Transport asked for the supply of parking in the East Side of the City to be taken into account in future decisions. As such the site was marketed with the requirement for 48 car parking spaces to be leased back to the Council on completion of the development.

Following the marketing campaign suitable terms have now been agreed for the sale of the Council's Freehold interest in the property and the 999 year lease back of 48 car parking spaces following completion of the proposed development. Parameters are set within the final Heads of Terms for agreeing the final sale price. Throughout the legal process the requirement to vary the agreed terms may arise to facilitate the sale. In addition it may be necessary for the Council to enter into other forms of agreement, for example but not limited to an access license to allow site investigations to be completed, as part of the proposed transaction.

Briefing notes documents: 135-137 Lower Parliament Street and the adjoining Arena Car Park.pdf

Other Options Considered: None as the marketing of 135 to 137 Lower Parliament Street and the adjoining Arena (Brook Street) car park was approved in Delegated Decision 3536

Background Papers:

Published Works: Delegated Decision 3536 To declare surplus, demolish and place on the market for sale 135 to 137 Lower Parliament Street and the adjoining Brook Street car park, Nottingham
Housing Aid Site, Nottingham City Centre, Informal Planning Guidance, February 2020

Affected Wards: St Ann's

Colleague / Councillor Interests: None

Any Information Exempt from publication: Yes

Exempt Information:

Description of what is exempt:

The value of the decision, a list of offers received for the site and the Heads of Terms agreed with the proposed purchaser of the site

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 to disclose the information would prejudice all parties positions in respect of the proposed transaction

Documents exempt from publication:

Value of Decision and Heads of Terms 135 to 137 Lower Parliament Street v7 final.docx, 2020-10-22 Offers Housing Aid.xlsx

Consultations:

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

None

Equality:

EIA not required. Reasons: This report does not comprise a change in Council policies, services or functions

Relates to Council Property Assets:

Yes

Decision Type:

Leader's Key Decision

Subject to Call In:

Yes

Call In Expiry date:

05/02/2021

Advice Sought:

Legal, Finance, Other: Karen Day(Karen.Day@nottinghamcity.gov.uk)

Legal Advice: From the information provided in the report and following discussion with Property colleagues it is considered that the proposed transaction does not raise any substantive legal issues of concern. The sale should be in accordance with the agreed terms for sale, and the disposal will be subject to normal property legal due diligence and the drafting, negotiation and agreement of formal legal documentation between the parties. Advice provided by Mick Suggett (Team leader: Conveyancing) on 08/01/2021.

Finance Advice: A number of point raised within the previous finance comments (provided within the delegated decision 3536), are still valid.

The Council has not opted to tax these premises therefore any costs incurred by the Council will require including within the partial exemption calculation. It is not envisaged that the Council will incur any significant costs so the Strategic Director of Finance is not required to opt to tax this site to protect the Council's tax position.

This development provides parking with less spaces than the current provision, and if the income per space is consistent between the old and new car park, Parking Services will have a pressure of c£15k p/a. Should this pressure materialise it will be picked up in the yearly budget cycle.

The Housing Aid and Brook Street Car Park are both corporate assets. Therefore, any net receipt will be used to support the General Fund Capital Programme, reducing the uncommitted capital receipt commitments made by the Council as disclosed at Executive Board. The forecast receipt generated from this site is included with the current capital receipt forecasts and falls within the Asset Rationalisation Programme.

Advice provided by Tom Straw (Senior Accountant - Capital Programmes) on 31/12/2020.

Property Advice: The property was fully marketed by way of an informal tender and the offers received reviewed. The offer accepted will generate a capital receipt for the Council. Advice provided by Pippa Hall (Portfolio and Investment Manager) on 30/12/2020.

Other Advice: A pressure in year on the parking income budget of £124,019 22/23 and part year in 23/24 of £93,019 when the car park is expected to be handed back. Parking Services budget need to be adjusted down to reflect this pressure by the sale and development of this car park. These pressures have been included as part of the 3 year MTFS which is currently out for consultation. Advice provided by Karen Day, (Parking Services Manager) on 21/01/2021

Signatures:

David Mellen (Leader/ PH Regeneration, Schools, Communications)
SIGNED and Dated: 29/01/2021
Chris Henning (Corporate Director for Development and Growth)
SIGNED and Dated: 28/01/2021