

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

4121

Author:

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Department:

Development and Growth

Contact:

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Subject:

Former Bestwood Housing Office

Total Value:

Exempt (Type: Capital)

Decision Being Taken:

To declare the subject property surplus to Nottingham City Council's (NCC) Housing Revenue Account (HRA) portfolio.

To declare that the subject property is surplus to any alternative/operational requirements of NCC.

To authorise the sale of the subject property.

To authorise the Director of Economic Development and Property to approve the disposal strategy and terms of sale (including price) in the disposal of the subject property within the approved budget detailed in the exempt appendix.

To authorise the Head of Housing and Regeneration to approve any expenditure required (within the approved budget detailed in the exempt appendix), which will directly relate to maximising the capital receipt achievable on sale of the asset, including (but not limited to) ensuring the property is safe for accompanied viewings.

Reasons for the Decision(s) The subject property is a 530.10sqm (5,705.99sqft) Net Internal Area 1-2 storey office building in generally good condition or repair, occupying a 0.54acres plot including a 25-30 bay car park. It is close to the Bestwood Park district centre and is directly adjacent to the Bestwood Park Church.

The property is part of the HRA and has historically been utilised as a Housing Office by Nottingham City Homes (NCH). Due to a rationalisation of NCH office space, NCH no longer require the use of this building. NCC Property Services have carried out an exercise to understand whether this building is required for an alternative use, however, despite its condition it is not in the right location to accommodate any of the alternative uses required by the Council.

The building is suitable for sale for an alternative use and sale of the site for an alternative office or community use is considered the most viable option. A community use would require a planning application to agree change of use.

The receipt from this transaction will go into the HRA.

Briefing notes documents: Plan Red Line Bestwood District Housing Office.pdf

Other Options Considered: To utilise the site for an alternate use by NCC. This was considered but it was not suitably located for the alternative accommodation needs of NCC at this time.

To demolish and sell the site as a cleared site for residential development. This was considered but there is more value in the existing building than selling the site for residential development after incurring demolition costs.

To redevelop the site for affordable housing as part of the Council Housing development programme. This was considered however the HRA is already heavily committed to new Council housing development projects and the HRA needs to balance expenditure with income from disposals in order to sustain its business plan.

Background Papers: None

Published Works: None

Affected Wards: Bestwood

Colleague / Councillor Interests: None.

Any Information Exempt from publication:

Yes

Exempt Information:

Description of what is exempt:

The estimated sale value and budget for works

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 it could prejudice the negotiations for the sale of the property.

Documents exempt from publication:

Exempt Appendix Bestwood Housing OfficeFINAL.docx

Consultations:

Date: 02/02/2021
Ward Councillors: Georgia Power, Jay Hayes, Audra Wynter
Cllr Power indicated she was happy for the sale to progress. Cllr Wynter had no comment on the report. No comment was received from Cllr Hayes.

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

Disposal of this property for reuse by a 3rd party will ensure ongoing management of this empty property which would otherwise be vulnerable to vandalism.

Equality:

EIA not required. Reasons: An EIA is not required as this decision does not involve any changes to current policies or practices.

Relates to Council Property Assets:

Yes

Decision Type:	Portfolio Holder
Subject to Call In:	Yes
Call In Expiry date:	24/02/2021
Advice Sought:	Legal, Finance, Property
Legal Advice:	<p>From the information provided and following discussion with colleagues in the Property Department it appears the proposals to declare the Property surplus and dispose of the Property do not raise any substantive legal issues of concern. Any sale will be subject to terms agreed by the Property Department and in addition subject to normal property legal due diligence and the drafting, negotiation and completion of formal legal documentation between Nottingham City Council and any relevant purchaser. Advice provided by Mick Suggett (Team leader: Conveyancing) on 11/01/2021.</p>
Finance Advice:	<p>The decision seeks to dispose of Bestwood Housing Office, which was previously occupied the Council's Arm's Length Management Organisation, Nottingham City Homes. NCH have consolidated their accommodation and no longer require this property. The property is part of its Housing Revenue Account (HRA), which is the Council's ring-fenced landlord account. Any costs incurred in preparing the property for disposal will be charged to the HRA, and when sold these costs can be set against the capital receipt. The sale will result in a small reduction in rental income, which can be absorbed in the HRA's budget and also provide a capital receipt (see Exempt Appendix). The capital receipt can be invested in housing schemes or the repayment of housing debt as per the regulations relating to Housing Capital Receipts (including the Limits on Indebtedness Determination 2012: Amending Determination 2013).</p> <p>Advice provided by Julie Dorrington (Senior Accountant (Housing Revenue Account)) on 01/02/2021.</p>
Property Advice:	<p>Property are currently negotiating works of dilapidations with the outgoing tenant, though the building is generally in a good condition of repair.</p> <p>Tanya Najuk, Head of Asset Management confirms there to be no alternative operational requirement for the purpose built housing Office. If declared surplus, Property will prepare recommendations in respect of Method of Sale and a Marketing Strategy as may be appropriate. The likely market for this property is considered to be continued office use or use as a community/training facility, subject to planning.</p> <p>Property have prepared an initial report on value (see exempt page) and will consider suitable provisions to include in the terms of any sale, such as Overage or use restrictions. Advice provided by Emma Wilcock (Senior Estates Surveyor) on 30/12/2020.</p>
Signatures	<p>David Mellen (Leader/ PH Regeneration, Schools, Communications)</p> <p>SIGNED and Dated: 17/02/2021</p> <p>Chris Henning (Corporate Director for Development and Growth)</p> <p>SIGNED and Dated: 08/02/2021</p>