

# Nottingham City Council Delegated Decision



**Nottingham**  
**City Council**

<b>Reference Number:</b>	4385
<b>Author:</b>	Rizvan Shafiq
<b>Department:</b>	Growth and City Development
<b>Contact:</b>	Rizvan Shafiq (Job Title: Senior Estates Surveyor, Email: rizvan.shafiq@nottinghamcity.gov.uk, Phone: 8763087)
<b>Subject:</b>	Sale of freehold interest in 38 Cockington Road, Bilborough, Nottingham, NG8 4BZ
<b>Total Value:</b>	Exempt (Type: Capital)
<b>Decision Being Taken:</b>	To authorise the sale of the Council's freehold interest (which is subject to a 99 year lease) in 38 Cockington Road Bilborough Nottingham, on terms contained within the exempt appendix.
<b>Reasons for the Decision(s)</b>	<p>The property comprises a detached former residential building which was converted to a dental surgery before further conversion to a five bedroom residential care home for adults with learning disabilities, as it now stands. The premises are constructed of masonry and pitched tiled roof and has integrated single garage.</p> <p>The property is let on a 99 year lease with effect from 1951 and a minimal fixed ground rent (approximately 29 years unexpired term). The leaseholder has approached the City Council with a view to purchasing the Council's freehold interest.</p> <p>Suitable terms have been negotiated with the leaseholder and bearing in mind the unexpired term. The freehold sale will provide increased security for the tenants therefore encouraging their investment into the property. In addition, the Council will receive a capital payment</p>
<b>Other Options Considered:</b>	<p>To continue with the current lease terms - this option is not recommended as there is potential for the Council to receive a capital receipt and encourage investment.</p> <p>The Council sell its freehold interest in the property on the open market - This option is not recommended. 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 29 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 current tenant is regarded as a special purchaser in acquiring the Council's freehold, and will pay a premium for the amalgamation of these two interests.</p>

**Background Papers:** **None**

**Published Works:** **None**

**Affected Wards:** **Bilborough**

**Colleague / Councillor Interests:** **None**

**Any Information Exempt from publication:** **Yes**

**Exempt Information:**

**Description of what is exempt:** **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 the details are commercially sensitive and disclosure of the terms could prejudice future negotiations that the Council undertakes.**

**Documents exempt from publication:** **2021.09.21- Exempt Appendix 38 Cockington Road.docx**

**Consultations:** **Those not consulted are not directly affected by the decision.**

**Crime and Disorder Implications:** **None**

<b>Equality:</b>	<b>EIA not required. Reasons: This is not a new or changing policy, service or function.</b>
<b>Relates to Council Property Assets:</b>	<b>Yes</b>
<b>Decision Type:</b>	<b>Portfolio Holder</b>
<b>Subject to Call In:</b>	<b>Yes</b>
<b>Call In Expiry date:</b>	<b>08/10/2021</b>
<b>Advice Sought:</b>	<b>Legal, Finance, Property</b>
<b>Legal Advice:</b>	<b>From the information provided in the report and the exempt appendix the proposed transaction does not appear to raise any significant issues of concern. The transaction will be subject to the usual legal due diligence, drafting, negotiation and agreement of formal legal documentation. Advice provided by Christina Price (Chartered Legal Executive) on 28/09/2021.</b>
<b>Finance Advice:</b>	<b>The site being disposed of within this decision generates a immaterial ground rent income to the Council of £34 per annum.  Following the approval of this decision this site will form part of the Asset Rationalisation process with the net capital receipt generated being used as a corporate capital receipt and applied in accordance with the Capital Strategy. The Council has not opted to tax this property so VAT does not need to charged to the purchaser.  Advice provided by Tom Straw (Senior Accountant - Capital Programmes) on 23/09/2021.</b>
<b>Property Advice:</b>	<b>The property is currently let on a ground lease with a minimal annual rent payable. The decision to sell the property will generate a capital receipt and does not result in a significant revenue loss to the Council. Advice provided by Pippa Hall (Portfolio and Investment Manager) on 23/09/2021.</b>
<b>Signatures</b>	<b>David Mellen (Leader/ PH Strategic Regeneration Communications)</b>
	<b>SIGNED and Dated: 30/09/2021</b>
	<b>Sajeeda Rose (Corporate Director of Growth &amp; City Development)</b>
	<b>SIGNED and Dated: 30/09/2021</b>