

# Nottingham City Council Delegated Decision



**Nottingham**  
**City Council**

Reference Number:	4872
Author:	Rizvan Shafiq
Department:	Growth and City Development
Contact:	Rizvan Shafiq (Job Title: Senior Estates Surveyor, Email: rizvan.shafiq@nottinghamcity.gov.uk, Phone: 8763087)
Subject:	Sale of freehold in Land PDSA Midland Area Hospital, Dunkirk Road, Nottingham NG7 2PH
Total Value:	Exempt (Type: Capital)
Decision Being Taken:	1) To declare surplus from the Property Trading Account and sell the Council's freehold interest (which is subject to a 99 year lease) in Land known as PDSA Midland Area Hospital, Dunkirk Road, Nottingham NG7 2PH, on terms contained within the exempt appendix. No alternative operational, regeneration, community or other requirements have been identified.2) To note that the receipt will be held as a corporate capital receipt and used in accordance with the Capital strategy.3) To delegate authority to the Director of Economic Development and Property to enter into any licence, deed or agreement necessary to facilitate the disposal.
Reasons for the Decision(s)	1) In response to the Council's Together for Nottingham Recovery and Improvement Plan Refresh 2022, the Council has commenced a review of premises within the Property Trading Account which could be considered for disposal. 2) The property has been reviewed in accordance with the provisions of the Asset Rationalisation Programme, and endorsed by the Asset Rationalisation Board as being suitable for disposal. 3) This disposal supports the Council's Together for Nottingham Recovery and Improvement Plan Refresh 2022, and provides a capital receipt.  The leaseholder has approached the City Council with a view to purchasing the Council's freehold interest. Accordingly, suitable terms have been negotiated with the leaseholder. The freehold sale will provide increased security for the tenants therefore encouraging their investment into the property.

**Other Options Considered:**

1. 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.  
2. The Council sell its freehold interest in the property on the open market. This option was 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 approximately 35 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.

**Background Papers:**

None

**Published Works:**

None

**Affected Wards:**

Lenton and Wollaton East

**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:

Plan - PDSA Midland Area Hospital, Dunkirk Road.pdf, 2023.02.08- EXEMPT Appendix PDSA.docx, Heads of Terms PDSA - EXEMPT.pdf, Exempt Finance Comments - PDSA Premises, Dunkirk Road.docx

Consultations:

Date: 02/02/2023

Ward Councillors: David Trimble, Sally Longford, Pavlos Kotsonis

No comments received

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.

Relates to Council Property Assets:

Yes

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

07/03/2023

Advice Sought:

Legal, Finance, Property

Legal Advice:

From the information provided in the report, the proposed sale does not appear to raise any substantive legal issues of concern. Any sale should be subject to the Council's duty to attain best value and also to normal property legal due diligence and the drafting, agreement and completion of formal legal documentation between the parties. Advice provided by Mick Suggett (Team leader: Conveyancing) on 24/02/2023.

Finance Advice:

This advice is exempt from publication and is contained within an exempt appendix  
Advice provided by Sarah Baker (Senior Commercial Business Partner - Property) on 22/02/2023.

Property Advice:

This decision does not raise any concerns from a Property Services perspective. The asset has been reviewed in line with the Council's adopted Disposals Policy and endorsed by the Asset Rationalisation Board. The property will be sold via the most appropriate method to ensure best consideration requirements are satisfied. Advice provided by Beverley Gouveia (Disposals & Development Manager) on 08/02/2023.

**Signatures**

<b>David Mellen (Leader/ PH Strategic Regeneration Communications)</b>
<b>SIGNED and Dated: 28/02/2023</b>
<b>Sajeeda Rose (Corporate Director of Growth &amp; City Development)</b>
<b>SIGNED and Dated: 28/02/2023</b>