

Executive Board – 23rd May 2023

Subject:	Disposal of Surplus Property Assets
Corporate Director(s)/Director(s):	Sajeeda Rose – Corporate Director for Growth & City Development
Portfolio Holder(s):	The Portfolio Holder responsible for property
Report author and contact details:	Beverley Gouveia – Disposals & Development Manager Beverley.gouveia@nottinghamcity.gov.uk
Other colleagues who have provided input:	Steve Sprason – Interim Head of Property
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Criteria for Key Decision:	
(a)	<input type="checkbox"/> Expenditure <input checked="" type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision
and/or	
(b)	Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Type of expenditure:	<input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date: Not applicable as not a capital project.
Total value of the decision:	Exempt
Wards affected:	Meadows, Clifton East & Castle
Date of consultation with Portfolio Holder(s):	26th April 2023
Relevant Council Plan Key Outcome:	
Green, Clean and Connected Communities	<input type="checkbox"/>
Keeping Nottingham Working	<input checked="" type="checkbox"/>
Carbon Neutral by 2028	<input type="checkbox"/>
Safer Nottingham	<input type="checkbox"/>
Child-Friendly Nottingham	<input type="checkbox"/>
Living Well in our Communities	<input type="checkbox"/>
Keeping Nottingham Moving	<input type="checkbox"/>
Improve the City Centre	<input type="checkbox"/>
Better Housing	<input type="checkbox"/>
Serving People Well	<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
<p>The Council owns a significant number of assets via various holding departments and funds. The Strategic Assets & Property team have reviewed the assets and are recommending them for sale in line with the adopted Disposals Policy.</p>	
Does this report contain any information that is exempt from publication?	
<p>The appendices to the report are exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because they contain information relating to the potential disposal price of various assets and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because disclosure of the information will compromise the Council's negotiation strategy in the event of a disposal, and this may adversely</p>	

impact the capital the Council could receive.

Legal comments contained in the exempt appendix are exempt from publication under paragraph 5 of Schedule 12A to the Local Government Act 1972 because it contains information in respect of which a claim to legal professional privilege could be maintained in legal proceedings relating to a proposed transaction and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

It is not in the public interest to disclose this information because it contains confidential legal advice in respect of the proposed transaction and disclosure could prejudice the Council's position.

Recommendation(s):

1. To make the freehold of the Fairham Development Site available for disposal on terms to be agreed and to note that the property (comprising the former Fairham School and Summerwood Day Centre) have already been declared surplus.
2. To declare the property known as the Crocus Place Development Site as detailed in Appendix 2 surplus to requirements noting no alternative operational, regeneration or community uses having been identified and make the freehold available for disposal on terms to be agreed.
3. To make the freehold of the property known as the former John Carroll Leisure Centre as detailed in Appendix 3 available for disposal on terms to be agreed noting that the property has already been declared surplus.
4. In the event the car park adjacent to the former John Carroll Leisure Centre on Denman Street Central is declared surplus to operational requirements by Parking Fleet and Transport, any decision of whether to declare surplus to Council requirements and/or include into the disposal boundary is delegated to the Corporate Director for Growth & City Development.
5. To declare the property known as 30 Woolpack Lane, Nottingham as detailed in Appendix 4 surplus to requirements noting no alternative operational, regeneration or community uses having been identified and make the freehold available for disposal on terms to be agreed.
6. To delegate the Method of Sale approval to the Director of Economic Development & Property.
7. To delegate authority to the Corporate Director of Growth & City Development to agree any future revisions to the method of sale and to agree the future terms of sale, including price.
8. To delegate authority to the Corporate Director of Growth and City Development to agree costs in respect of any actions that may be appropriate in maximising the capital receipt for the subject sales.
9. To pay disposal costs equating to 1.5% of the disposal price as detailed in the exempt appendices.
10. To delegate authority to the Director of Economic Development & Property to approve the appointment of any sales agent(s) or any other required consultant via a procurement compliant process (tender/framework/quotation) to facilitate the disposal.
11. To note that the receipt will be held as a corporate capital receipt and used in accordance with the Capital strategy.

1. Reasons for recommendations

- 1.1 Disposal will generate significant capital receipts which can be used by the Council as considered appropriate. It will also mitigate potential future risks arising from lease events such as break options and lease expiries and will remove any potential risk of downward shifts in the rental/capital performance of the asset. Disposal will also

remove any costs associated with voids/reletting/holding the asset and refurbishment which the Council as Landlord would need to cover.

1.2 Property Specific reasons are contained in the exempt appendix for each asset.

2. **Background (including outcomes of consultation)**

2.1 As part of the Council's Asset Rationalisation Programme the assets detailed in the exempt section of this report have been identified as being surplus to Council requirements and are recommended for disposal in line with the adopted Disposals Policy.

2.2 The disposal of the assets will generate capital receipts which will be used as considered appropriate by the Council's Section 151 Officer.

3. **Other options considered in making recommendations**

3.1 Not to implement the recommendations set out in the report. This option has been rejected as the assets are surplus to the Council's ongoing operational or strategic requirements and holding them would cause a revenue pressure. The timely disposal of the assets will generate a capital receipt which can be used as considered appropriate by the Section 151 Officer.

4. **Consideration of Risk**

4.1 The assets detailed in the exempt appendices have been identified as being surplus to Council requirements and are no longer required for any ongoing operational, regeneration or community requirements.

4.2 The risks associated with disposing of the assets are considered medium to low and largely centre on the level of capital receipt that can be generated. This risk will be mitigated by selecting a disposal strategy that seeks to generate a market sale price for the asset and one which represents best consideration under Section 123 of the Local Government Act 1972.

4.3 Risks associated with holding vacant or multi tenanted properties will be mitigated by a timely sale. The sale will limit the Council's expenditure on holding costs, repairs, refurbishment and officer's time managing the assets.

5. **Best Value Considerations, including consideration of Make or Buy where appropriate**

- DIY- do it yourself through redesign – this is not applicable to the decision being considered. The assets are not part of any service redesign.
- BIY- buy it yourself e.g. procurement – the appointment of agents to dispose of the assets will be completed in line with Best Value considerations and via a procurement compliant method and will have regard to pricing and quality of the service offering.
- BIWO- buy it with others- joint procurement – not applicable, the Council is the sole owner of the assets detailed in the appendices to this report.
- DIWO- do it with others e.g. shared services/ partnerships with local authorities – not applicable.
- DIFO – do it for others- trading and income enhancement – not applicable.
- EO- enable others – not applicable.
- REDUCE- service standards commensurate with affordability – not applicable.

- STOP – this is not an option; the assets are surplus to all operational and strategic requirements and there is a requirement to generate capital receipts.

6. **Finance colleague comments (including implications and value for money/VAT)**

Revenue Comments

Contained in the exempt appendix.

Advice provided by Maria Balchin – Senior Commercial Business Partner (Communities, Environment & Resident Services Directorate): 4th April 2023.

Advice provided by Sarah Baker – Senior Commercial Business Partner (Strategic Assets & Property/FM Building Services) 4th April 2023.

Capital Financial Comments

Contained in exempt appendix.

Advice provided by Tom Straw, Senior Accountant (Capital Programmes): 3rd April 2023

7. **Legal colleague comments**

Contained in exempt appendix.

Advice provided by Mick Suggett, Solicitor and Team Leader Conveyancing: 31.03.2023

8. **Other relevant comments**

8.1 **Strategic Assets & Property Advice**

The assets detailed in this report and appendices have been identified for disposal through the asset rationalisation process or through operational service redesign.

Each disposal identified will be the subject of further due diligence to prepare the sites for sale in line with the adopted disposals policy.

This report is seeking authority to the principle of declaring surplus (in some cases assets have been declared surplus via earlier decisions) and disposing of these assets in order to generate capital receipts to support the capital programme or repayment of debt as directed by Capital Finance colleagues.

Disposal of the assets will be managed by the Strategic Assets & Property Team and in some cases may be undertaken by external agents as appropriate.

Some of the recommendations contained in this report and exempt appendix have been circulated and endorsed by the Corporate Asset Management Group and Asset Rationalisation Board in March 2023. No objections have been received. Those already declared surplus by previous decisions have

not been reviewed by the Corporate Asset Management Group or Asset Rationalisation Board.

Advice provided by Steve Sprason, Interim Head of Property 5th April 2023.

9. Crime and Disorder Implications (If Applicable)

9.1 The sale of vacant assets will prevent anti-social behaviour and vandalism and will limit the council's expenditure on such items.

10. Social value considerations (If Applicable)

10.1 Not applicable.

11. Regard to the NHS Constitution (If Applicable)

11.1 Not applicable

12. Equality Impact Assessment (EIA)

12.1 Has the equality impact of the proposals in this report been assessed?

No
An EIA is not required because the decision does not impact Council services or policy.

Yes

13. Data Protection Impact Assessment (DPIA)

13.1 Has the data protection impact of the proposals in this report been assessed?

No
A DPIA is not required because the decision will not involve the transfer of data to any parties. If this is required at a later date as part of the disposal process and DPIA will be completed.

Yes

14. Carbon Impact Assessment (CIA)

14.1 Has the carbon impact of the proposals in this report been assessed?

No
A CIA is not required because the subject of this report will not have any impact on carbon impact.

Yes

15. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

15.1 None

16. Published documents referred to in this report

16.1 None