

Executive Board – 13th February 2024

Subject:	Guildhall Complex, Revised Terms for Disposal
Corporate Director(s)/Director(s):	Sajeeda Rose, Corporate Director for Growth and City Development
Portfolio Holder(s):	Councillor Steve Battlemuch, Portfolio Holder for Skills, Growth, Economic Development and Property
Report author and contact details:	Beverley Gouveia, Head of Property, beverley.gouveia@nottinghamcity.gov.uk
Other colleagues who have provided input:	Steve Sprason
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 type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date: N/A	
Total value of the decision: see exempt appendix	
Section 151 Officer expenditure approval Has the spend been approved by the Section 151 Officer? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/a Spend Control Board approval reference number: N/a	
Wards affected: N/a	
Date of consultation with Portfolio Holder(s): 25 January 2024	
Relevant Council Plan Key Outcome:	
Green, Clean and Connected Communities	<input type="checkbox"/>
Keeping Nottingham Working	<input 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 checked="" type="checkbox"/>
Better Housing	<input type="checkbox"/>
Financial Stability	<input checked="" type="checkbox"/>
Serving People Well	
Summary of issues (including benefits to citizens/service users): The report relates to the disposal of the freehold interest in a council owned asset which will result in the generation of a substantial capital receipt. The disposal will relieve the council from the financial and other burdens of holding a void property. The disposal will see the property brought back into beneficial use.	

Does this report contain any information that is exempt from publication?

This appendix to the report is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to the disposal of a Council asset 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 the report contains commercially sensitive information disclosure of which could prejudice the Council's negotiating position and any future discussions which may be entered into.

The Legal Services comments in the appendix are also exempt from publication under paragraph number 5 of Schedule 12A to the Local Government Act 1972 because they contain 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 approve the terms of disposal of the council's freehold interest in the subject property as set out in the attached exempt appendix.
- 2** To delegate the approval of the final terms of disposal to the Corporate Director for Growth and City Development subject to verification of the independent valuation report.

1. Reasons for recommendations

- 1.1 The Council has been in a contract for sale of the asset with Miller Birch since 2016 and the sale was moving towards a completion but in January 2023 the asset was listed, and the sale did not proceed. The asset has been vacant for a considerable period.
- 1.2 Revised terms have now been agreed with the Purchaser which are recommended for approval.
- 1.3 The disposal will relieve the Council of the financial and other burdens of holding a void property and see it bought back into beneficial occupation.

2. Background (including outcomes of consultation)

- 2.1 The Council has been in a contract for sale of the asset with Miller Birch since 2016 and the sale was moving towards a completion but in January 2023 the asset was listed, and the sale did not proceed. Following listing, the asset has become an entirely different commercial proposition in that the development capacity is now much reduced. The council has continued to engage with the prospective purchaser on the basis that there remains a compelling case to do so.
- 2.2 The Council can agree acceptable terms for disposal on the revised basis with the existing purchaser and the purpose of this report is to seek approval to those revised terms. This recommendation sits in full compliance with the Council's adopted Disposals Policy in that we continue to deal with the contracted purchaser, the price agreed will satisfy the council's obligation to achieve best consideration and the transaction will deliver either economic, environmental and/or social benefits.

2.3 The sale price is subject to support from an independent external valuer. At the time of submitting this report the completed s.123 valuation is not yet to hand, and the recommended sale price will be subject to that.

3. Other options considered in making recommendations.

3.1 Do nothing-this would have resulted in a potential disposal not progressing. No capital receipt would have been generated and the council would have continued to meet void management costs (and see the exempt appendix).

3.2 Remarket the asset-it is not considered to be in the best interests of the council to do so. This would have resulted in any disposal being, relatively speaking, much delayed and would leave the council with the burdens of void management for a much longer period.

4. Consideration of Risk

4.1 Failure to dispose of the subject asset identified in this report represents a business risk to the Council as the asset represents a significant burden to the council in terms of void holding costs.

4.2 A sale will not only generate a capital receipt but remove the significant revenue costs associated that are being incurred in holding the property vacant.

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

5.1 The finance comments are contained in the exempt appendix.

6. Legal colleague comments

6.1 The legal comments are contained in the exempt appendix.

7. Other relevant comments

7.1 Strategic Assets and Property

7.2 The Strategic Assets and Property comments are contained in the exempt appendix.

8. Crime and Disorder Implications (If Applicable)

8.1 Not Applicable

9. Social value considerations (If Applicable)

9.1 Not Applicable

10. Regard to the NHS Constitution (If Applicable)

10.1 Not Applicable

11. Equality Impact Assessment (EIA)

11.1 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 policy or procedure.

12. Data Protection Impact Assessment (DPIA)

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

No
A DPIA is not required because there are no issues arising from the release of information held by the Council in respect of the proposed purchaser as:

a). The information is required for the purposes of entering a contract with a prospective purchaser.

b). The information is required for the purposes of legal proceedings, i.e., the conveyancing process.

13. Carbon Impact Assessment (CIA)

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

No
A CIA is not required because the decision will not impact on carbon production by the Council.

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

14.1 None

15. Published documents referred to in this report.

15.1 None