

# Nottingham City Council Delegated Decision



**Nottingham**  
**City Council**

Reference Number:	5192
Author:	David Smeeton
Department:	Growth and City Development
Contact:	David Smeeton (Job Title: Interim Disposals Surveyor, Email: david.smeeton@nottinghamcity.gov.uk, Phone: +447785253059)
Subject:	To request approval to dispose of the property known as The Embankment, 282-284 Arkwright Street, NG2 2GR
Total Value:	See Exempt Appendix (Type: Capital and Revenue)
Decision Being Taken:	<p>1. To declare the premises known as The Embankment, 282-284 Arkwright Street, NG2 2GR , surplus to the Trading Account and to make the freehold available for disposal. No alternative operational, regeneration, community or other requirements have been identified ( Officer Operational Decision).2. T grant delegated authority to the Director of economic Development and property to approve the method, disposal price and terms of sale of the freehold interest in this property as set out out in the Exempt Appendix. The receipt will be held as a corporate capital receipt and used in accordance with the Capital Strategy ( Portfolio Holder Decision).3. To delegate authority to the Director of Economic Development and Property to appoint, via a procurement compliant procedure and pay appropriate fees associated with any external resource required to dispose of the subject property to achieve Best Consideration and comply with the Council's adopted policy.</p>
Reasons for the Decision(s)	<p>1. In response to the Council's 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 and informally approved via an Asset Rationalisation Review as being suitable for disposal.3. This disposal supports the Council's Improvement Plan 2024. and provides a capital receipt.4. This Grade II Listed public house and is in the Licenced Leisure sector which is volatile for property investment.5. The property is let to a single Pubco occupant and the lease has tenant only break clauses in 2030 and 2040 which is a risk to income.6. The property does not have EPC certification but is likely to be non-compliant with 2027 EPC standards.7. There is an extensive car park which represents a re-purposing opportunity.8. There is no strategic requirement to retain the property.</p>

**Other Options Considered:**

**1. Do nothing:** - a) Risk - this option has been rejected as retention of the assets presents a financial risk to the Council in terms of capital expenditure for repairs, maintenance and compliance works. Retaining the asset would also forego potentially significant capital receipts. This is not a viable option as the property could become management intensive. b) Risk mitigations - ensure a successful disposal is achieved. Ensure the asset approved for disposal is marketed effectively, at the earliest opportunity, to ensure sufficient exposure, generating a high level of awareness amongst potential purchasers. adoption of an asset-specific marketing strategy to ensure the asset is targeted at specific market segments to maximise likelihood of a successful disposal. Use of auction process provides increased certainty of securing a disposal within a defined timescale and on an unconditional basis. Allocate dedicated specialist resource with significant experience of commercial property disposal transactions.2. Retain the property: - a) Risk - this option has been rejected as this is a poor quality asset requiring capital expenditure and is likely to underperform in the future. It is unlikely a pro-active asset management approach would materially enhance the asset and is unlikely to be an effective and efficient use of resources. b) Risk mitigations - successfully dispose of the property (see 1b above).

**Background Papers:**

**Published Works:**

**Affected Wards:**

Meadows, St Ann's

**Colleague / Councillor Interests:**

**Any Information Exempt from publication:**

Yes

**Exempt Information:**

**Description of what is exempt:**

Details of the valuation information and the expected capital receipt. Appendices to this decision are exempt from publication under the following paragraphs of Schedule 12A of the Local Government Act 1972.

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 contains commercially sensitive information concerning property valuation and the expected capital receipt.**

**Documents exempt from publication:**

**2024.08.04 Exempt Appendix The Embankment 282-284 Arkwright Street NG2 2GR.doc**

**Consultations:**

**Date: 08/07/2024**

**Ward Councillors: Michael Edwards, Eunice Regan**

**No feedback has been received to date on this disposal from the Cllrs.**

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

**Crime and Disorder Implications:**

**There are no Crime and Disorder implications arising from the disposal.**

**Equality:**

**EIA not required. Reasons: EIA not required. Reasons - The decision does not include changing principles, services or functions.**

**Relates to Council Property Assets:**

**Yes**

**Decision Type:**

**Portfolio Holder**

**Subject to Call In:**

**Yes**

**Call In Expiry date:**

**29/10/2024**

**Advice Sought:**

**Legal, Finance, Procurement, Property**

**Commissioner Comments:**

**The Commissioners are content with this decision**

**Legal Advice:**

. Subject to the other comments in this advice, Legal Services does not identify any significant risks to the council in the sale of the property provided that any sale is carried out in compliance with statutory requirements, including s.123 Local Government Act 1972, and on appropriate terms, which may include imposing covenants, reserving rights and seeking to obtain a share of any development value through overage.

. Part of the property is unregistered and for practical reasons as well as to appeal to the largest group of potential buyers, the whole of the property should be registered prior to marketing the property for sale.

. Except as may be referred to above, Legal Services has not carried out any due diligence on the property. To avoid problems arising during the sale process, Legal Services recommends that due diligence at a level appropriate to the value and nature of the property is carried out before marketing the property.

. Legal Services' advice is provided on the basis of a decision in principle to sell the property but no buyer has been identified, no terms agreed for the sale of the property and no method of sale determined.

. Legal Services is not qualified to provide valuation advice or to advise on the appropriate method of marketing the property for sale.  
Advice provided by James Christian (Solicitor) on 27/08/2024.

**Finance Advice:**

This advice is exempt from publication and is contained within an exempt appendix

Revenue Advice provided by Sarah Baker (Senior Commercial Business Partner - Property) on 27/08/2024  
Capital Advice provided by Tom Straw (Senior Accountant - Capital Programmes) on 27/08/2024.

**Procurement Advice:**

This decision raises no procurement concerns as the property will be auctioned off to the highest bidder via the contracted Auctioneer  
Advice provided by Paul Ritchie (Procurement Manager) on 12/09/2024.

**Property Advice:**

The property has been assessed by both Strategic Assets & Property and Finance and is recommended for disposal. Sale will be undertaken in line with the adopted Disposals Policy and any proposed refresh of the policy. An appropriate method of sale will be recommended to ensure best consideration is achieved and that the sale completes in a timely period. Any revenue pressure created will be offset using allocated funding. The Disposals Team will work with Legal Services to ensure the sale is progressed at pace.  
Advice provided by Beverley Gouveia (Head of Property) on 13/08/2024.

**Signatures**

Ethan Radford (Exec Member - Skills, Growth, Economic Development)  
SIGNED and Dated: 22/10/2024  
Nicki Jenkins (Corporate Director of Growth and City Development)  
SIGNED and Dated: 17/10/2024