

Nottingham City Council Delegated Decision



Reference Number:	5196
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Department:	Growth and City Development
Contact:	Christopher Cocks (Job Title: Disposals Surveyor, Email: christopher.cocks@nottinghamcity.gov.uk, Phone: 07903 822575)
Subject:	Disposal of 49-53 Carlton Road, Nottingham, NG3 2DN
Total Value:	Exempt (Type: Capital and Revenue)
Decision Being Taken:	<p>1. To declare the premises known as 49-53 Carlton Road, Nottingham, NG3 2DN, 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. To delegate 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 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 disposals policy.</p>
Reasons for the Decision(s)	<p>1.The council had faced a budget gap of over £50m for 2024/25 due to issues facing councils across the country including increased demand for children's and adults' social care, rising homelessness presentations and inflation. This has meant savings of over £36m need to be made between 2024/25 to 2027/28 to set a balanced budget, which is a legal requirement for all councils. In addition, the council, has been granted Exceptional Financial Support (EFS) from the Government of up to c£66.143m - £25m for the current year, 2023/24 and £41.143m in 2024/25. EFS is not additional funding from Government but allows the council to use capital resources, including from asset sales to fund revenue costs for services. Asset rationalisation is also a significant part of the Council's Improvement Plan 2024 and Budget Strategy.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.</p>

Other Options Considered:

1. Do nothing:a) Risk - this option has been rejected as retention of the asset 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 successful a 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:

None

Published Works:

None

Affected Wards:

St Ann's

Colleague / Councillor Interests:

None

Any Information Exempt from publication:

Yes

Exempt Information:

Description of what is exempt:

Financial information

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:

2024.10.01 Exempt Appendix 49-53 Carlton Road NG3 2DN.doc

Consultations:

Date: 09/07/2024

Ward Councillors: Corall Jenkins, Anwar Khan, Devontay Okure

No feedback has been received to-date on this proposed disposal from the Councillors.

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 as 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: The sale will need to be subject to the usual marketing process to ensure that best value is achieved pursuant to s 123 of the LGA 1972. Once a suitable buyer has been found, the sale will be subject to the usual due diligence process, including disclosures relating to the leases, and replies to any enquiries raised by the buyer. The sale documentation will be subject to commercial negotiation. On the basis of the above, and from the information provided in the report, the proposed transaction does not appear to raise any significant legal issues of concern.

Advice provided by Victoria McIntyre (Solicitor) on 31/07/2024.

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 18/07/2024
Advice provided by Tom Straw (Senior Accountant - Capital Programmes) on 17/07/2024

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 it has been 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 chosen to ensure best consideration obligations are met and that the sale occurs in a timely period. Any revenue pressure created will be offset using allocated funding.

Advice provided by Beverley Gouveia (Head of Property) on 25/07/2024.

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