

# Nottingham City Council Delegated Decision



Reference Number:

5197

Author:

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Department:

Growth and City Development

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Subject:

To approve disposal of Alfred House, Ashley Street, NG3 1JG

Total Value:

Exempt (Type: Capital and Revenue)

Decision Being Taken:

1. To declare the premises known as Alfred House, Ashley Street, NG3 1JG, surplus to the Property Trading Account and to make the freehold or long leasehold interest available for disposal. No alternative operational, regeneration, community or other requirements have been identified (Officer Operational Decision).2. To grant delegated authority to the Director of Property to approve the method, disposal price and terms of sale of the property as set out in the Exempt Appendix, or any necessary review of the method of sale and terms of sale (including price) should the sale not proceed. Note, 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 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 strategy. Expenditure will be compliant with any existing spend control requirement.

Reasons for the Decision(s)

1.The Council has faced a budget cap of over £50M for 2024/25 due to the 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 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.2. Asset rationalisation is also a significant part of the Council's Improvement Plan 2024 and Budget Strategy.3. The asset is a financial liability to the council and no longer presents a suitable investment for retention under the Property Trading Account.

**Other Options Considered:**

**1. Do nothing: a) Risk - this option is not recommended 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 viable as the property could become management intensive. b) Risk mitigations - Ensure a successful disposal is achieved at the earliest opportunity, to mitigate the risk of further deterioration in the fabric of the building over the winter months, for which the Council is liable. Allocate dedicated specialist resource with significant experience of commercial property disposal transactions. 2. Retain the property: a) Risk - this option is not recommended as this is a poor quality asset requiring significant capital expenditure for which the Council is responsible and the asset is likely to under-perform 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 and Heads of Terms.**

**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).

**An appendix is exempt from publication because it contains information relating to the financial or business affairs of the authority holding the information, 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 includes valuation figures and the anticipated price achievable for the property which, if disclosed, will prejudice the Councils position in negotiations relating to the proposed sale.**

Documents exempt from publication:

18.09.2024 HoTs with Backlit.docx, 2024.03.10 Exempt Appendix Alfred House Ashley Street NG3 1JG.doc, Exempt ARB - 1st Nov 23 - Alfred House.docx

Consultations:

Date: 08/07/2024  
Ward Councillors: Corall Jenkins, Anwar Khan, Devontay Okure  
No response has been received to date.

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: The decision does not include changing policies, 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, Property

**Commissioner Comments:** The Commissioners are content with this decision

**Legal Advice:**  
We understand that the proposed transaction is the sale of the freehold of the Property. This will involve the normal negotiation and agreement of legal documents for the sale, including transfer. There will also be the usual due diligence, including deduction of the title to the property and replies to enquiries. We understand that overage is being considered which will take specific drafting.  
We understand that the property has been opted for VAT but that the Buyer is a charity. As such the option to tax is disapplied when the property is leased or sold to a charity that is to use the building for a relevant charitable purpose but not as an office. In order to disapply an option to tax, the charity would need to issue a certificate. Therefore a certificate will need to be obtained and provided to the Council. We will also need to double check the proposed user of the site by the Charity.  
Advice provided by Victoria McIntyre (Solicitor) on 01/10/2024.

**Finance Advice:**  
This advice is exempt from publication and is contained within an exempt appendix.  
Advice provided by Sarah Baker (Senior Commercial Business Partner - Corporate Landlord) on 02/10/2024.

**Property Advice:**  
The property has been assessed by both Strategic Assets & Property and Finance and is recommended for disposal; this property has high vacancy rates and presents a high repair liability to the council with significant future capital expenditure forecast. Sale will be undertaken in line with the adopted Disposals Policy and any proposed refresh of the policy.  
An offer has been received at what is considered to be best consideration; the proposed price is supported by the opinion of market value received from an Independent Valuation. Property colleagues have worked to ensure that best consideration is to be achieved and subject to approval of this decision, will seek to ensure that the sale completes in a timely period.  
Any revenue pressure created by the sale will be offset using allocated funding.  
Although the property is registered as an Asset of Community Value, it is not classed as a Relevant Disposal as remains subject to a lease.  
Advice provided by Emma Wilcock (Principal Surveyor) on 01/10/2024.

**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