

# Nottingham City Council Delegated Decision



**Nottingham**  
**City Council**

Reference Number:	5202
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 site formerly known as Innovation House, Daleside Road, Nottingham NG2 4DH
Total Value:	See exempt appendix (Type: Revenue)
Decision Being Taken:	<p>1. To declare the premises known as Innovation House, Daleside Road, NG2 4DH, 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 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 in the exempt appendix. The receipt will be held as a corporate capital receipt and used in accordance with the Capital Strategy (Executive Member Decision). 3. To delegate authority to</p> <p>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 class="MsoNormal" style="margin-top:3.0pt;margin-right:0cm;margin-bottom:3.0pt; margin-left:0cm;text-align:justify;text-autospace:none">1. The Council has faced a budget cap of over £50M for 2024/25 due to issue 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 office building known as Innovation House had fallen into disrepair and was no longer capable of beneficial occupation in 2022. Brownfield Land Release Fund monies amounting to £100,000 were applied for and secured and in 2022 the property was subsequently demolished. The Grant required that by 31st March 2024 a valid Residential Planning Application had to be secured otherwise the Grant would have to be repaid. A Planning Application for residential use has not been secured.4. The site is not income producing.

**Briefing notes documents:**

ARP - 6th June 24 - Innovation House - Site.docx, 2024.07.26 Exempt\_Appendix Innovation House.docx

**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 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). 1. Do nothing - this is not a viable option as the property could become management intensive and therefore this option has been rejected.2. Adopt a pro-active asset management approach to maximise the potential of the asset - this is unlikely to be effective and efficient use of resources.

**Background Papers:**

**Published Works:**

**Affected Wards:**

Dales

**Colleague / Councillor Interests:**

**Any Information Exempt from publication:**

Yes

**Exempt Information:**

**Description of what is exempt:**

Details of valuation information and the expected capital receipt. An appendix to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972. Page No: 2 of 4 An appendix to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 197

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:**

2024.07.01 Exempt\_Appendix Innovation House SFB TS.docx

**Consultations:**

Date: 08/07/2024  
Ward Councillors: Gul Khan, David Mellen, Neghat Khan  
No feedback has been received to-date on this proposed disposal from the Cllrs.

Those not consulted are not directly affected by the decision.

**Crime and Disorder Implications:**

The are no Crime and Disorder implications arising from the disposal.

<b>Equality:</b>	<b>EIA not required. Reasons: EIA not required. Reasons - This decision does not involve a new changing policy, service or function.</b>
<b>Relates to Council Property Assets:</b>	<b>Yes</b>
<b>Relates to Building Services:</b>	<b>Yes</b>
<b>Decision Type:</b>	<b>Portfolio Holder</b>
<b>Subject to Call In:</b>	<b>Yes</b>
<b>Call In Expiry date:</b>	<b>06/11/2024</b>
<b>Advice Sought:</b>	<b>Legal, Finance, Procurement, Property, Building Services</b>
<b>Commissioner Comments:</b>	<b>The Commissioners are content with this decision</b>
<b>Legal Advice:</b>	<b>From the information provided in the report the sale does not raise any substantive legal issues of concern and is supported. The sale will be subject to normal property legal due diligence including a review of the title and the drafting, agreement and completion of formal legal documentation between the parties. Advice provided by Fezil Veli (solicitor) on 12/08/2024.</b>
<b>Finance Advice:</b>	<b>This advice is exempt from publication and is contained within an exempt appendix  Advice provided by Sarah Baker (Senior Commercial Business Partner - Property) on 28/08/2024. Advice provided by Tom Straw (Senior Accountant - Capital Programmes) on 26/07/24.</b>
<b>Procurement Advice:</b>	<b>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.</b>
<b>Property Advice:</b>	<b>The property has been assessed by both Strategic Assets &amp; Property and Finance and is recommended for disposal. Sale will be undertaken in line with the adopted Disposals Policy and any proposed refresh. Appropriate due diligence will be undertaken and a sales method which realises best consideration in a timely manner will be adopted. Any revenue pressure created will be offset using allocated funding. The Disposals Team will work closely with Legal Services to ensure the sale is progressed at pace. Advice provided by Beverley Gouveia (Head of Property) on 29/07/2024.</b>

**Building Services Advice:**

**As our colleagues in Strategic Assets & Property and Finance are the expert Building Services will support the project subject to the due diligence being undertaken by the Corporate Teams. Advice provided by Trevor Bone (Property Maintenance Manager) on 29/07/2024.**

**Signatures**

<b>Ethan Radford (Exec Member - Skills, Growth, Economic Development)</b>
<b>SIGNED and Dated: 30/10/2024</b>
<b>Nicki Jenkins (Corporate Director of Growth and City Development)</b>
<b>SIGNED and Dated: 25/10/2024</b>