

# Operational Decision Record

Publication Date 01 November 2024	Decision Reference Number 5205
<b>Decision Title</b>	
To request approval to dispose of property known 1,886 sq yds Varney Road/off Southchurch Drive, Clifton, Nottingham, NG11 8EX.	
<b>Decision Value</b>	
See Exempt Appendix (Details of valuation information and the expected capital receipt. 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).	
<b>Revenue or Capital Spend?</b>	
Exempt	
<b>Spend Control Approval</b>	
Has the spend been approved by Spend Control Board? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a Spend Control Board approval reference number: N/A	
<b>Department</b>	
Growth and City Development	
<b>Contact Officer (Name, job title, and contact details)</b>	
Christopher Cocks, Disposals Surveyor, christopher.cocks@nottinghamcity.gov.uk	
<b>Decision Taken</b>	
To dispose of the freehold interest of the area of land known as 1886 sq yards at Varney Road, Clifton by way of Public Auction and delegate the final sale terms to the Interim Corporate Director for Growth and City Development or the Director of Economic Development & Property.	
<b>Reasons for Decision and Background Information</b>	
<b>Background/Reasons for the decision:</b>  The property comprises a single and part two-storey industrial unit in tertiary location accessed off unadopted access road. Asset is poor performing with limited rental growth. NCC liable for access road repairs and no budget provision exists. Capital expenditure is unlikely to result in increased revenue income.  No strategic requirement for retention.	

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 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.

The property has been reviewed and informally approved via an Asset rationalisation Panel as being suitable for disposal.

This disposal supports the Nottingham City Council Improvement Plan 2024 and Budget Strategy.

### **Other Options Considered and why these were rejected**

#### **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 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).

### **Reasons why this decision is classified as operational**

The anticipated value of the decision falls within the specified range of an Operational Decision.

**Additional Information**

Councillor notification - Ward Councillors: Kevin Clarke, Kirsty Jones and Maria Watson were emailed on 23.07.2024. Feedback has been received from the Councillors specifically in respect of the process of the proposed disposal and responded to 24.07.24.

So far as we are aware, those not consulted are not directly affected by the decision.

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

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

Advice from Procurement to be provided as part of the consultation and included within the Exempt Appendix attached (Legal and Finance comments to be contained within the Exempt Appendix).

**Decision Maker (Name and Job Title)**

Nicki Jenkins Interim Corporate Director of Growth & City Development

**Scheme of Delegation Reference Number**

244. Council owned Land and Property – Sales of Council Property

**Date Decision Taken**

27<sup>th</sup> September 2024