

Nottingham City Council Delegated Decision



Reference Number:	5210
Author:	Darren Fabris
Department:	Growth and City Development
Contact:	Darren Fabris (Job Title: Disposals Surveyor, Email: darren.fabris@nottinghamcity.gov.uk, Phone: 07956842460)
Subject:	To request approval to dispose of property known as land on corner of Forum Road/Gala Way, Bulwell, NG5 9RG
Total Value:	Exempt (Type: Capital and Revenue)
Decision Being Taken:	<p>1. To declare the premises known as land on the corner of Forum Road/Gala Way, Bulwell, NG5 9RG, 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.</p> <p>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.4. To delegate to the Corporate Director for Growth & City Development, in consultation with the Council's Section 151 Officer where appropriate, all actions as identified in recommendations 1-3 above in respect of the property identified for sale within this report.</p>
Reasons for the Decision(s)	<p>1. The Council is currently facing significant budget gaps due to issues facing councils in general across the country including increased demand for children's and adults' social care, rising homelessness presentations and inflation. This has meant substantial savings need to be made between 2024/25 to 2027/28 to enable balanced budgets to be set. In addition, the Council has been granted Exceptional Financial Support (EFS) from the Government of up to c£66m which is repaid in part using capital funds from disposals. Asset rationalisation is also a significant part of the Council's Improvement Plan 2024 and Budget Strategy.2. The asset proposed for disposal has been reviewed in accordance with the " Asset Rationalisation Programme" and endorsed as being suitable for disposal..3. This disposal supports the Council's Improvement Plan 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 and maintenance. 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:

Published Works:

None

Affected Wards:

Bulwell Forest

Colleague / Councillor Interests:

None

Any Information Exempt from publication:

Yes

Exempt Information:

Description of what is exempt:

Details of the valuation 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

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 could prejudice negotiations.

Documents exempt from publication:

Land at Forum Road and Gala Way proforma.pdf, 2024.10.28 Exempt Appendix Forum Road Gala Way NG5 9RU.doc

Consultations:

Date: 11/07/2024

Ward Councillors: Cheryl Barnard, Samuel Gardiner, Sarita-Marie Rehman-Wall

All Councillors confirmed in an email of 11.07.2024 that they have no objections to the proposed disposal.

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 principles, services or functions.

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

13/11/2024

Advice Sought:

Legal, Finance, Procurement, Property

Commissioner Comments:

The Commissioners are content with this decision

Legal Advice:

From the information provided in the report, the proposed transaction does not appear to raise any substantive legal issues and is supported. The letting will be subject to normal property legal due diligence and the drafting, agreement and completion of formal legal documentation between the parties. Advice provided by Fezil Veli (solicitor) on 21/08/2024.

Finance Advice:

<p>This advice is exempt from publication and is contained within an exempt appendix</p> <p>Advice provided by Sarah Baker (Senior Commercial Business Partner - Property) on 27/08/2024</p> <p>Advice provided by Tom Straw (Senior Accountant - Capital Programmes) on 27/08/2024</p>

Procurement Advice:

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

Property Advice:

<p>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.</p> <p>Advice provided by Beverley Gouveia (Head of Property) on 29/08/2024.</p>
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Signatures

Ethan Radford (Exec Member - Skills, Growth, Economic Development)
SIGNED and Dated: 05/11/2024
Nicki Jenkins (Corporate Director of Growth and City Development)
SIGNED and Dated: 04/11/2024