

## Operational Decision Record

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| Publication Date<br>29 January 2025  | Decision Reference Number<br>5229 |
| <b>Decision Title</b>  |                                   |
| To request approval to enter a deed of variation to remove all user restrictions and pre-emption rights on land formerly owned at Southchurch Drive, Nottingham in return for fifty percent uplift in the sale value.  |                                   |
| <b>Decision Value</b>  |                                   |
| See Exempt Appendix (Details of the expected capital receipt 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<br>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>  |                                   |
| Darren Fabris MRICS – Interim Disposals Surveyor<br>darren.fabris@nottinghamcity.gov.uk  |                                   |
| <b>Decision Taken</b>  |                                   |
| To approve the heads of terms and enter into a deed of variation to remove all user restrictions and pre-emption rights on land formerly owned by Nottingham City Council at Southchurch Drive, Nottingham, which will enable the property to be sold by the current owner with an unfettered land registry title thus optimising both the land receipt and overage due to Nottingham City Council.                              |                                   |
| <b>Reasons for Decision and Background Information</b>   |                                   |
| The land registry title to the property is subject to restrictive covenants contained in a historic transfer limiting the use of the land to ecclesiastical use.   |                                   |
| The property is considered to have potential for redevelopment for residential, retail or care uses (subject to planning). The parties have agreed, by negotiation, an Existing Use Value for the purposes of calculating the overage amount due from a future sale and Nottingham City Council will receive an overage payment equivalent to fifty percent of the uplift in value between the agreed Existing Use Value and the |                                   |

Market Value of the land arising from a future change of use. All reasonable professional costs incurred by Nottingham City Council will be paid for by the current owner.

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 and other capital income, such as this opportunity to realise a significant receipt.

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

Do nothing: -

a) Risk - this option is not recommended, as not proceeding to agree to a deed of variation would forego potentially a significant capital receipt and would also prevent the current landowner from putting a surplus site into an alternative beneficial use.

b) Risk mitigations - commercially advantageous terms have been agreed (as contained in the exempt appendix) and NCC shall ensure these will be legally documented to guarantee an equitable share of the future sale proceeds arising from a future sale are secured. The current owners will undertake an effective marketing strategy at the earliest opportunity to ensure sufficient exposure, generating a prominent level of awareness amongst potential purchasers to maximise the likelihood of a successful disposal.

**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**

Finance comments – See exempt appendix.

Legal comments – See exempt appendix.

Cllr Clarke, Jones and Watson within Clifton East Ward have been notified. Cllr Clarke was supportive whilst acknowledging the local community's history with the asset – see exempt appendix for additional comments.

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

EIA not required as the decision does not include changing principles, services, or functions.

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

Nicki Jenkins

Interim Corporate Director for Growth and City Development

**Scheme of Delegation Reference Number**

246 - Council owned Land and Property – Release of Covenants

**Date Decision Taken**

29.01.2025