

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	1995
Author:	Phil Daniels
Department:	Development
Contact:	Phil Daniels (Job Title: Head of Property Development, Email: phil.daniels@nottinghamcity.gov.uk, Phone: 0115 876 3488)
Subject:	Marketing and preliminary due diligence in relation to disposal of Beechdale Baths
Total Value:	up to £60,000 expenditure (estimate) (Type: Capital and Revenue)
Decision Being Taken:	Decision to commence marketing of Beechdale Baths site in isolation of the adjoining East Midlands Ambulance Service Site and to incur costs including agents fees, technical reports including topographical survey, stage 1 geotechnical report and demolition cost assessment to assist in the marketing of the site. It is considered that costs incurred in marketing and due diligence will be recovered from final sales proceeds and will in fact give more certainty to the sales process and potentially have a beneficial impact on price achieved.
Reasons for the Decision(s)	For a lengthy period the Council has been attempting to agree to jointly market the site with East Midlands Ambulance Service who own the adjoining land. The ambulance service have consistently failed to agree a route forward and a guaranteed exit strategy from their site. Given the change in market conditions and in particular a marked contraction of the food retail market it is now considered that the marriage value with the adjoining site for a large supermarket (40,000 sq ft plus) is minimal or non existent. The Council site occupies the most prominent position and is large enough in isolation to support the currently most popular supermarket models as part of a small scale mixed use development. Hence the decision to sell our site in isolation and incur costs should be formalised. The Harvey Hadden leisure centre replacing the facilities offered at Beechdale is due to be operational by September 2015. Monies from the sale are in part a funding source for this facility.
Other Options Considered:	Continue to await the cooperation of East Midlands Ambulance Service. Given the history of the decisions made by EMAS to date and continued uncertainty as to the viability of their proposed exit route from their site it is felt that this option carried considerable risks. The possibility of an agreed sale being delayed or aborted by EMAS is considered high and this could prejudice the sale and price achieved of the NCC site. Hence this option was rejected.

Background Papers:

Published Works:

Affected Wards:

Citywide

Colleague / Councillor Interests:

Consultations:

Date: 25/02/2015
Other City Council Bodies: Development Programme Management Board
The matter was discussed, and the in principle decision to proceed with marketing of the site in isolation was also discussed. Responsibility for the matter was given to Phil Daniels - Head of Property Development.

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

There are no crime and disorder implications that relate to this decision

Equality:

EIA not required. Reasons: EIA not required. Reasons: The report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about implementation of policy development outside the Council.

Social Value Considerations:

Sale of this site will ensure that the existing obsolete buildings on site are replaced with a modern mixed use property development. The exact extent of development is to be determined but it is likely to have economic and employment benefits to the city.

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

27/05/2015

Advice Sought:

Legal, Finance, Procurement

Legal Advice: The proposals set out in the report raise no significant legal issues and, in the circumstances outlined, are supported. Advice provided by Malcolm Townroe (Legal Services Manager) on 31/03/2015.

Finance Advice: This decision proposes to incur costs to an estimated value of £60,000 on agents fees, technical reports including topographical survey, stage 1 geotechnical report and demolition cost assessment to assist in the marketing of the Beechdale Baths site. It is considered that costs incurred in marketing and due diligence will give more certainty to the sales process and potentially have a beneficial impact on sale price achieved. The costs of up to £60,000 can be financed from the capital receipt which will be received from the sale of the land.

Advice provided by Jim Driver (Finance Service Partner) on 23/03/2015.

Procurement Advice: The client has confirmed that the requirements will be procured via The National Scape Framework for Asset Management, Surveying, & Design Services. There are no significant procurement concerns with the recommendations set out in the report. Advice provided by Sue Oliver (Category Manager - Procurement) on 21/04/2015.

Signatures

Graham Chapman (PH for Resources and Neighbourhood Regeneration)
SIGNED and Dated: 18/05/2015
David Bishop (Deputy CE, CD for Development and Growth)
SIGNED and Dated: 11/05/2015