

# Nottingham City Council Delegated Decision



**Nottingham**  
**City Council**

Reference Number:

2122

Author:

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Department:

Development

Contact:

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Subject:

Declare surplus and sell the freehold interest in 118 Hucknall Road, Carrington, Nottingham, NG5 1AD

Total Value:

Anticipated receipt of £75,000-£80,000 plus 2% contribution towards the Council's professional fees (Type: Capital and Revenue)

Decision Being Taken:

The Portfolio Holder of Resources and Neighbourhood Regeneration to:  
Declare 118 Hucknall Road, Carrington, Nottingham, NG5 1AD as surplus to the requirements of the Chamber Trading Account;  
Authorise the sale of the freehold interest in 118 Hucnkall Road, Carrington, Nottingham, NG5 1AD;  
Delegate authority to the Director of Strategic Asset and Property Management to agree the sale terms, including sale price and any auction reserve for the freehold interest in 118 Hucknall Road, Carrington, Nottingham, NG5 1AD.

**Reasons for the Decision(s)** The property stands within a parade of shops which are all privately owned, with no other (commercial) Council ownership in the vicinity. The property requires substantial modernisation and general repair works to both the ground floor retail unit and first floor living accommodation, before it is suitable for reoccupation. The level of expenditure required in order to complete the necessary works balanced against the net rental income which could then be achieved by the Council on letting the property, does not make retained ownership a financially viable option to the Council.

Sale of the freehold interest in this property will provide the City Council with a Capital Receipt which can be reinvested within the Trading Account in line with Strategic Choice 93/3570, as well as releasing the City Council from the costly liabilities which are a consequence of holding such a property - responsibility for empty property business rates and ongoing management costs and costs of repair.

Further, a contribution towards the Council's internal, professional (legal and surveyors) costs will be collected from the purchaser, to be calculated at 2% of the sale price.

In addition to the financial consequences of sale, Estates will ensure that sale of this freehold interest actively encourages investment and the improvement of the property, benefitting the local economy, local citizens and visitors to the area. Estates will do this by including a requirement in the sales contract, on the purchaser, to refurbish the property within 12 months in line with a specified Schedule of Works prepared by the Council, stating also that the property must be reoccupied within 12 months.

**Briefing notes documents:** Plan Approval 118 Hucknall Road.pdf

**Other Options Considered:** To retain ownership of the property, leasing it out to provide a revenue income to the Chamber Trading Account. This option is not recommended - it would not be financially viable to the City Council due to the substantial upfront cost of bringing the property into suitable repair or the rent free period which would have to be granted to encourage a new occupier to do the same. It is likely that a private purchaser will be able to undertake the works required at a lesser cost than the Council.

**Background Papers:** No Background Papers.

**Published Works:** No Published Documents.

**Affected Wards:** Sherwood

**Colleague / Councillor Interests:** No declared interests.

**Consultations:** Date: 30/06/2015  
Ward Councillors: Brian Parbutt, Jane Urquhart, Alex Ball

The Ward Councillors consulted have raised no concerns with the principles of this Decision. Councillor Urquhart did note that an application was previously submitted, requesting that the property be included on the Register of Community Assets. The application was to be refused by the City Council but was withdrawn in any case; it is not considered likely that any new application will be submitted in relation to this property.

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

Although there have been no reported acts of anti-social behaviour or vandalism, nor any evidence of such, the risk of these occurring will be reduced once the property is reoccupied.

Equality:

EIA not required. Reasons: An Equality Impact Assessment is not required; this Decision does not constitute a change to policies, services or functions of the City Council.

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

13/08/2015

Advice Sought:

Legal, Finance

Legal Advice:

The proposals set out in the report raise no significant legal issues and are supported. Advice provided by Malcolm Townroe (Legal Services Manager) on 13/07/2015.

Finance Advice:

The decision to declare surplus and sell the freehold interest in 118 Hucknall Road will generate a capital receipt estimated to be in the region of £75,000 to £80,000. In accordance with the decision of Executive Board in February 2011 the capital receipt will be retained for reinvestment in higher yielding property. Based on a yield of 6.5% this could generate an annual income of £5,200. The property has been void since 2012.  
  
Advice provided by Jim Driver (Finance Service Partner) on 07/07/2015.

Signatures

Graham Chapman (PH for Resources and Neighbourhood Regeneration)  
SIGNED and Dated: 06/08/2015  
David Bishop (Deputy CE, CD for Development and Growth)  
SIGNED and Dated: 05/08/2015