

# Nottingham City Council Delegated Decision



**Nottingham**  
**City Council**

<b>Reference Number:</b>	<b>2595</b>
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<b>Department:</b>	<b>Development</b>
<b>Contact:</b>	<b>Rizvan Shafiq</b> <b>(Job Title: Senior Estates Surveyor, Email: rizvan.shafiq@nottinghamcity.gov.uk, Phone: 8763087)</b>
<b>Subject:</b>	<b>Sale of the Councils freehold interest in industrial premises on Gauntley Street Basford Nottingham</b>
<b>Total Value:</b>	<b>See exempt appendix (Type: Capital and Revenue)</b>
<b>Decision Being Taken:</b>	<b>To authorise the sale of the Council's freehold interest (which is subject to a 99 year lease lease) in industrial premises known as Land 1,244 sq yds or thereabouts on the west side of Gauntley Street Basford Nottingham, on the terms contained within the exempt appendix.</b>
<b>Reasons for the Decision(s)</b>	<p>The property is situated on Gauntley Street, located just off Radford Road (A611). The property comprises land of approximately 1,244 sq yds (1,040 m2), developed as industrial premises providing a single warehouse and two storey office building complex, plus surfaced car park.</p> <p>The property is currently let on a 99 year lease with effect from 27th October 1977 at a ground rent of £6,340 per annum exclusive, subject to reviews. Recently the property has been assigned to Chrysalis Health and Beauty Business Solutions who have refurbished and improved the building.</p> <p>As Chrysalis Health and Beauty Business Solutions intend to carry out further works, they have approached the City Council requesting the purchase of the Council's freehold interest; this would allow them to raise the necessary funding to complete the programme and is supported by Councillor McDonald, Portfolio Holder for Business, Growth and Transport.</p> <p>The further development of the site will provide opportunity for Chrysalis Health and Beauty Business Solutions to increase employment opportunities for the city, from this base.</p>

**Briefing notes documents:** Plan.pdf

**Other Options Considered:**

1. The Council retain its freehold interest in the property and continue collecting the fixed ground rent of £6,340 per annum.  
This option is rejected. The short unexpired term of 60 years does not make the substantial refurbishment possible which would restrict the chance of additional employment opportunities provided by the company.

2. The Council sell its freehold interest in the property on the open market, by private treaty or auction.  
This option is rejected. A purchaser from the open market would only consider purchasing the property as an investment or for its future development potential. Bearing in mind that the current lease has 60 years unexpired term, it is not considered that an investor would be prepared to pay as much as the current leaseholder for the Council's freehold interest. The sale to the applicant will generate the highest capital receipt for the Council due to the applicant being regarded as a special purchaser in acquiring the Council's freehold, and will pay a premium for the amalgamation of these two interests.

**Background Papers:** None

**Published Works:** None

**Affected Wards:** Leen Valley

**Colleague / Councillor Interests:** None

**Any Information Exempt from publication:** Yes

**Exempt Information:**

**Description of what is exempt:** Financial details and terms agreed (appendix)

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 disclosure of the terms could prejudice other negotiations that the Council undertakes.

**Documents exempt from publication:**

2016-07-27 Exempt Appendix Gauntley Street.docx

**Consultations:**

**Date:** 27/07/2016

**Ward Councillors:** Glyn Jenkins, Mohammed Saghir

**No objections or comments to note.**

Those not consulted are not directly affected by the decision.

**Crime and Disorder Implications:**

There are no crime or disorder implications included in this decision.

**Equality:**

EIA not required. Reasons: Reasons: This is not a new or changing policy, service or function. The decision adheres to all Council Equality policies

**Relates to Council Property Assets:**

Yes

**Decision Type:**

Portfolio Holder

**Subject to Call In:**

Yes

**Call In Expiry date:**

21/09/2016

**Advice Sought:**

Legal, Finance, Property

**Legal Advice:**

Provided that the proposed sale is for "best consideration" as required by s123 Local Government Act 1972 then the transaction raises no significant legal issues and is supported. Legal Services will undertake the legal work in connection with the sale and take all such steps as are deemed necessary to protect the Council's ongoing interests. Advice provided by Malcolm Townroe (Legal Services Manager) on 31/08/2016.

**Finance Advice:**

**The Property Services will lose the annual income from selling this property; however the capital receipt will support the property trading account and this will support either future investment purchases or will be used to improve the standard of other traded properties to generate more income. Advice provided by Mandy Bryce (Finance Analyst) on 31/08/2016.**

**Property Advice:**

**This is a property decision and on the basis that the proposed use of the building is limited to industrial and that the sale of the freehold will allow the applicant to invest in the property and create employment we have no additional comments. Advice provided by Pippa Hall (Senior Estates Surveyor) on 29/07/2016.**

**Signatures**

**Jon Collins (Leader & PH Strategic Regeneration)**

**SIGNED and Dated: 14/09/2016**

**David Bishop (Deputy CE, CD for Development and Growth)**

**SIGNED and Dated: 14/09/2016**