

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	2694
Author:	Rodney Alan Martin
Department:	Development
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Subject:	The sale of the freehold interest in the Mundella Centre, Green Street, The Meadows, Nottingham NG2 2LA
Total Value:	See exempt appendix (Type: Capital)
Decision Being Taken:	To approve the sale of the freehold interest in The Mundella Centre, Green Street, The Meadows, Nottingham NG2 2LA to Blueprint (General Partner)Ltd and Blueprint (Nominees)Ltd of 48 to 50 St Mary's Gate, The Lace Market, Nottingham NG1 5AQ on the terms set out in the exempt appendix. To reinvest the Capital Receipt in to the Property Trading Account.
Reasons for the Decision(s)	<p>The Mundella Centre transferred from Nottinghamshire County Council when it became vacant in April 2011. No alternative operational use has been identified for the property.</p> <p>In 2014 a sale of the property to Nottingham Energy Partnership was agreed and approved and contracts were exchanged on the basis that Nottingham Energy Partnership would convert the property to a highly energy efficient scheme comprising of 5 apartments and office accommodation. Unfortunately following exchange of contracts Nottingham Energy Partnership failed to progress the scheme and in September 2015 the contract was bought to an end. Shortly afterwards, Blueprint, who have undertaken new energy efficient housing developments opposite the Mundella Centre on Green Street and have recently acquired the cleared site known as Trent Works directly opposite the Mundella Centre for a similar development, expressed an interest in the Mundella Centre to undertake a development that will compliment the on going regeneration of the area adding an energy efficient retro fit housing scheme to the on going energy efficient new build schemes. Negotiations have been carried out with Blueprint and terms agreed for the sale of the Freehold interest in the property. These terms include a claw back should abnormal costs of development be less than expected and an overage payable if the developers profit exceeds a pre determined level. The terms agreed represent Best Consideration. Blueprint intend to sub divide the property vertically and convert the property to 10 energy efficient houses.</p>

Briefing notes documents: THE MUNDELLA CENTRE SALE PLAN.pdf

Other Options Considered: Sale of the property on the open market. This option was rejected as a sale on the open market would not guarantee the use of the property for regeneration purposes continuing the on going regeneration of the Meadows.

Background Papers: None

Published Works: Portfolio Holder Decision ref 1585, The sale of the freehold interest in the Mundella Centre, Green Street, The Meadows, Nottingham, NG2 2LA

Affected Wards: Bridge

Colleague / Councillor Interests: Councillor Jon Collins, the Leader of the Council, is a Director of Blueprint.
David Bishop, Deputy Chief Executive/Corporate Director for Development and Growth is a substitute Director of Blueprint.

Any Information Exempt from publication: Yes

Exempt Information:

Description of what is exempt: The value and terms of sale

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 contains details relating to the proposed terms of sale which if disclosed will prejudice the parties position in negotiations.

Documents exempt from publication:

Mundella Exempt appendix.doc

Consultations:

Date: 02/09/2016

Ward Councillors: Michael Edwards, Nicola Heaton

No response received to consultation email

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

The property currently attracts low level vandalism. The proposed sale and redevelopment of the property will bring this to an end

Equality:

EIA not required. Reasons: This report does not contain proposals for new or changing policies, services or functions

Relates to Council Property Assets:

Yes

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

03/01/2017

Advice Sought:

Legal, Finance, Property

Legal Advice:

Provided that the sale is to be for "best consideration" as required by s123 Local Government Act 1972 then the proposed disposal raises no significant legal issues and is supported. Advice provided by Malcolm Townroe (Legal Services Manager) on 21/10/2016.

Finance Advice:

No income is currently being received from the Mundella Centre and therefore there are no ongoing revenue pressures for the Property Trading Account from this decision. As the property forms part of the Chamber Estate, 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.

The terms of the agreement include a claw back agreement and overage and the position will need to be monitored by the Property team to ensure that any financial benefit to the City Council is realised.

Advice provided by Susan Tytherleigh (Senior Finance Manager) on 12/10/2016.

Property Advice:

This is a strategic disposal contributing to required housing development whilst producing a capital receipt from an unproductive asset for reinvestment into the Chamber portfolio. Appropriate monitoring is in place to ensure that any overage value is realized to maximize the receipt from the sale and achieve best value. Advice provided by Peter Carroll (Head of Portfolio Investment & Development) on 17/10/2016.

Signatures

Graham Chapman (PH for Resources and Neighbourhood Regeneration)
SIGNED and Dated: 22/12/2016
Ian Curryer (Chief Executive)
SIGNED and Dated: 22/12/2016