

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

3455

Author:

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Department:

Development and Growth

Contact:

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Subject:

Sale of the former Elms Primary School, detached playing field and caretakers house, Cranmer Street, St Anns

Total Value:

Exempt (Type: Capital)

Decision Being Taken:

To approve the grant of an Option to Blueprint (General Partner) Ltd and Blueprint (nominees) Ltd to purchase the former Elms Primary School, detached playing field and caretakers house as identified edged on the attached plan on terms set out in the exempt appendix.

To approve the sale of the freehold interest in the property if the Option is exercised on the terms set out in the exempt appendix

To delegate authority to the Director of Strategic Assets and Property to agree the level of overage payment, if any, on the basis of the terms set out in the exempt appendix.

To approve the grant of any rights, licences, easements and wayleaves required over Council owned land to facilitate the construction of the proposed scheme including connection to services

To delegate authority to the Director of Strategic Assets and Property to agree any variation to the terms set out in the exempt appendix

To make the Option fee available to the Director of Strategic Assets and Property to cover the cost of on going site security and maintenance during the Option period

Reasons for the Decision(s)

The former Elms primary school, playing field and caretakers house was declared surplus to operational requirements and made available to the Director of Strategic Assets and Property to sell, subject to no alternative operational, regeneration or other requirements being identified in June 2017 by Delegated Decision 2859. That decision also gave approval to procure the removal of asbestos and the partial demolition of the buildings on site. Asbestos has now been removed as far as possible, however partial demolition has not taken place due to concerns raised by Historic England which can not be addressed until redevelopment proposals are finalised.

Secretary of State consent is not required to the sale of the school or the playing field as it is now longer than 10 years since the school was closed in August 2008 following a school reorganisation of the St Anns area.

The Council's intention to sell the subject property was advertised in accordance with the requirements of the Local Government Act 1972 section 123 (2a) in May 2016. Site notices were also posted at that time advertising the intention to sell and change use (subject to planning) for residential development. At that time 7 objections were received and 3 responses in support of the proposal.

Blueprint Ltd, a company partially owned by the Council, has been identified as a suitable residential development partner with the required expertise to facilitate the redevelopment of this site in a manner that supports the regeneration of the local area. Suitable terms have been agreed with Blueprint Ltd to grant them an Option allowing them time to undertake all due diligence in respect of their proposed development and obtain planning consent at Blueprint's risk prior to them buying the freehold of the site.

Terms agreed ensure the Council obtain market value for their freehold interest in the property if the Option is exercised. In addition the terms include an Overage provision ensuring that the Council are able to share in the development returns should the scheme deliver higher than expected returns.

Approval is sought to grant any necessary rights, licences, easements and wayleaves as well as to allow the Director of Strategic Assets and Property to agree any variation to the proposed terms to ensure there is no delay in entering in to the Option agreement and, if the Option is exercised, development being progressed on site.

As the buildings remain on site and the site will remain the responsibility of the Council during the Option period the Option fee is required to cover the cost of on going site security and maintenance during the Option period.

Briefing notes documents:

Plan Elms Field and Sch.pdf

Other Options Considered:

Selling the property on the open market. This option was rejected as Blueprint (General Partner) Ltd and Blueprint (nominees) Ltd has been identified as a suitable partner to bring forward the development of this difficult site.

Background Papers:

None

Published Works:

Delegated Decision ref 2859

Affected Wards: St Ann's

Colleague / Councillor Interests: Councillor Jon Collins, the Leader of the Council, is a Director of Blueprint (General Partner) Ltd and Blueprint (nominees) Ltd

Any Information Exempt from publication: Yes

Exempt Information:

Description of what is exempt: The value of the decision and the proposed Heads of Terms for the Option agreement

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 includes terms of sale which if disclosed will prejudice negotiations relating to the proposed sale.

Documents exempt from publication:

Exempt appendix Heads of Terms Option Agreement Elms school.docx

Consultations:

Date: 22/02/2019
Ward Councillors: Jon Collins, David Liversidge, Sue Johnson
No response to date

Date: 22/02/2019
Other: Cllr Graham Chapman
No response to date

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

The proposal will ultimately allow the site to be redeveloped and remove the focus for anti social behaviour.

Equality:

EIA not required. Reasons: Report does not contain proposals for new or changing policies, services or functions of the Council

Relates to Council Property Assets:

Yes

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

26/03/2019

Advice Sought:

Legal, Finance, Property

Legal Advice:

From the information contained in the report and following discussion with the author of the report, the proposed transaction does not appear to raise any significant legal issues of concern. The proposed transaction will be subject to normal property legal due diligence work and the drafting, negotiation and agreement of formal legal documentation between the parties. Advice provided by Mick Suggett (Team leader: Conveyancing) on 13/03/2019.

Finance Advice:

The option fee from Blueprint Ltd will be used to pay for any holding costs of the building until sale such as security and ground maintenance costs. After option expires, if Blueprint decides to buy it, income will go to corporate capital receipt; if Blueprint decides not to buy it, then the property will be advertised on the market. Overage will be shared on 50:50 basis, 50% related to the Council will be treated as corporate capital receipt. Advice provided by Mandy Bryce (Finance Analyst) on 27/02/2019.

Property Advice:

Property have undertaken the negotiations providing appropriate advice and guidance, no further advice required. Advice provided by Peter Carroll (Portfolio and Investment Manager) on 15/03/2019.

Signatures

Graham Chapman (PH for Finance, Resources and Commercial Services)

SIGNED and Dated: 19/03/2019

Chris Henning (Corporate Director for Development and Growth)

SIGNED and Dated: 19/03/2019