

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	3512
Author:	Jeremy Bryce
Department:	Development and Growth
Contact:	Jeremy Bryce (Job Title: Surveyor, Email: jeremy.bryce@nottinghamcity.gov.uk, Phone: 01158763082)
Subject:	Sale of the freehold interest in 11 East Circus Street and access road, together with part of Wellington Circus, Nottingham NG1 5AF
Total Value:	see exempt appendix (Type: Revenue)
Decision Being Taken:	<p>To declare 11 East Circus Street, the access road and part of Wellington Circus surplus to the needs of the Trading Account and make the premises available to the Director of Strategic Assets and Property to sell, subject to no alternative operational, regeneration, community or other requirement being identified.</p> <p>To grant delegated authority to the Director of Strategic Assets and Property to agree the method and terms for the sale of the freehold of the property as set out in the exempt appendix.</p> <p>To reinvest the capital receipt in the Trading Account.</p>
Reasons for the Decision(s)	<p>Void since July 2017 the property generally is in a very dated condition throughout. It requires immediate attention to the failing main roof covering, rain water goods and guttering. All the sash windows need repair/replacement, and external and internal decoration is required. Considerable expenditure on maintenance/repair would need to be considered if the property is to be kept as an investment by the Trading Account. To just relet "as is" would be impossible as immediate repairs to meet new EPC legislation enacted in April 2018 will be required to bring the whole building up to a lettable standard. Indeed the Trading Account has already carried out repairs to the external retaining wall fronting Wellington Circus in 2016 at a cost of £36,100, and running roof repairs over recent years totalling £9,000. This high cost of maintenance to comply with health and safety requirements and the further investment required to upgrade the property to make available to let makes this an uneconomic investment for the Council. The proposed capital receipt would be much better utilised if reinvested in better performing investments.</p> <p>The sale includes a section of Wellington Circus as identified on the attached plan. The Council also owns half of the private access road adjacent to number 9 which is also a liability in terms of repair. This separate title should be included in the disposal of number 11.</p>
Briefing notes documents:	11 East Circus Street - Sale Plan.pdf

Other Options Considered:

Continue to try and let the property. However this is a property that requires significant capital investment (see exempt appendix) to secure a future income stream. It also constitutes a fail under recently updated EPC legislation where energy ratings of F or below are considered a fail. This means they cannot be relet in the commercial market until they are remediated to at least an E. Therefore this option was rejected.

Offer for sale by auction. The recommended option. This enables the Council to seek interest during a defined marketing period, and set a minimum sale price by way of reserve. The Council will recharge 2% of the sale price plus auctioneers costs and other dispersements to the purchaser by way of the contract provisions. If no interest is received in the property at auction an alternative method of sale will be reviewed and the property will be reoffered for sale by the most appropriate method decided at the time.

Background Papers:

None

Published Works:

None

Affected Wards:

Radford and Park

Colleague / Councillor Interests:

N/A

Any Information Exempt from publication:

Yes

Exempt Information:

Description of what is exempt:

Proposed sale price

Estimated cost of refurbishment of the property

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 sale prices for property which, if disclosed, will prejudice the Council's position in negotiations and/or the setting of auction reserves.

Documents exempt from publication:

Appendix to 11 East Circus Street.doc

Consultations:

Date: 20/03/2019

Ward Councillors: Liaqat Ali, Anne Peach, Ilyas Aziz

Consulted on 20.3.2019

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

None

Equality:

EIA not required. Reasons: This decision does not include 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:

09/05/2019

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 substantive legal issues of concern. The transaction will be subject to normal property legal due diligence and subject to formal completion of legal documentation. Advice provided by Mick Suggestt (Team leader: Conveyancing) on 21/03/2019.

Finance Advice:

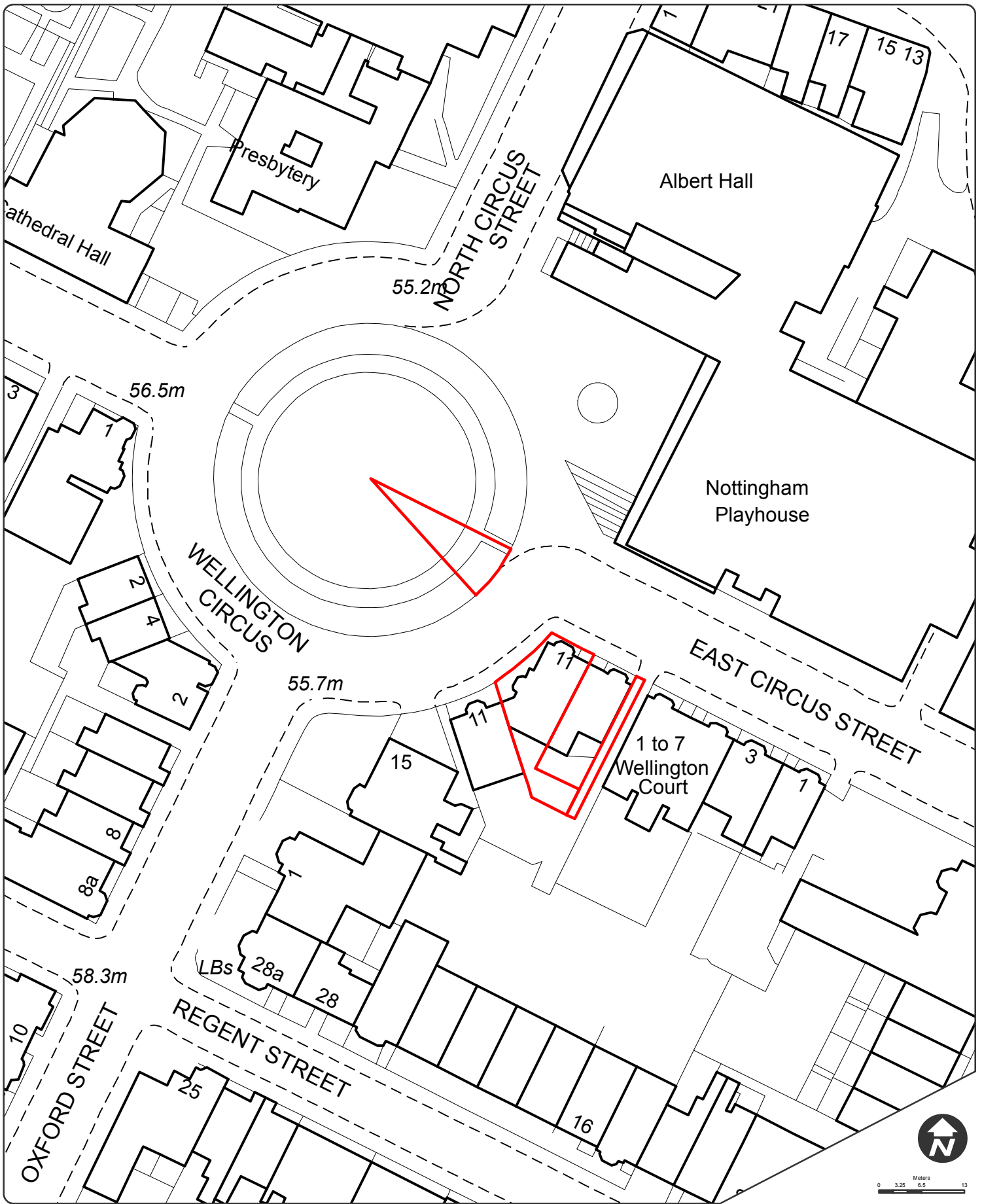
Property trading account does not get any rental income from this property at the moment, the capital receipt from the disposal will support either future investment purchases or will be used to improve the standard of other traded properties to generate more income. Advice provided by Mandy Bryce (Finance Analyst) on 20/03/2019.

Property Advice:

This is a property decision to sell a building which is uneconomic to retain. The sale will generate a capital receipt which can be utilised elsewhere in the portfolio to improve returns. Advice provided by Pippa Hall (Portfolio and Investment Manager) on 20/03/2019.

Signatures

Jon Collins (Leader of the Council)
SIGNED and Dated: 01/05/2019
Chris Henning (Corporate Director for Development and Growth)
SIGNED and Dated: 01/05/2019



11 East Circus Street, Nottingham

Scale @ A4 = 1:750

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**Property Support
 Development & Growth**