

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

3562

Author:

Rodney Alan Martin

Department:

Development and Growth

Contact:

Rodney Alan Martin

(Job Title: Development Manager, Email: rod.martin@nottinghamcity.gov.uk, Phone: 01158763075)

Subject:

The sale of 112 to 128 Derby Road and 181 to 195 Wollaton Street, Nottingham. NG1 5FB

Key Decision (decision valued at more than £1million):

Yes

Total Value:

see exempt appendix (Type: Capital)

Decision Being Taken:

To approve the sale of the freehold interest in 112 to 128 Derby Road and 181 to 195 Wollaton Street, Nottingham to the purchaser and at the price set out in the exempt appendix delegating authority to the Director of Strategic Assets and Property to agree all other terms of sale.

To delegate authority to the Director of Strategic Assets and Property, in consultation with the Leader of the Council, to proceed with the sale of the freehold interest in 112 to 128 Derby Road and 181 to 195 Wollaton Street, Nottingham to an under bidder should the sale to the selected purchaser not proceed for any reason.

Reasons for the Decision(s) The sale is proposed to facilitate the modernisation, refurbishment and reoccupation of this under utilised landmark property. 112 to 128 Derby Road and 181 to 195 Wollaton Street, Nottingham is a four storey Grade II listed period property comprising six vacant and two tenanted ground floor retail units fronting Derby Road and Canning Circus with three storeys of largely vacant mixed storage, workshop and residential accommodation above plus basements. The ground floor and basement of 116 Derby Road and the ground, first, second, third floors and basement of 118 Derby Road and 187 Wollaton Street are let generating an income the details of which are given in the exempt appendix.

This large landmark property on the A610, a main arterial route in and out of Nottingham to the West is currently under utilised and in need of considerable investment in refurbishment and modernisation to bring the property back in to full use. In March 2015 a Portfolio Holder Delegated Decision approved proceeding with the grant of a lease of the upper floors of the property to facilitate their renovation and conversion to provide residential apartments for the private rented sector. However this lease was not completed. It is therefore proposed that the whole building is sold freehold to an investor / developer with the resources and expertise to undertake the necessary refurbishment and redevelopment of the property whilst generating a substantial capital receipt for the Council.

The property has been placed on the open market for sale, advertised both locally and nationally with offers invited and a closing date set. A lot of interest was generated in the proposed sale and 11 offers were received.

To facilitate the sale approval is sought to sell the freehold interest in the property at the price bid by the recommended purchaser. Approval to agree other terms of sale is to be delegated to the Director of Strategic Assets and Property along with authority, in consultation with the Leader of the Council, to proceed with a sale to an under bidder. This is to provide the flexibility required to facilitate the timely sale of the property.

Briefing notes documents: Plan 112 128 Derby Road 181 195 Wollaton Street.pdf

Other Options Considered: Not to sell the freehold interest in the property. This option was rejected as a sale of the freehold will facilitate the modernisation, refurbishment and reoccupation of this under utilised landmark property.

Background Papers: None

Published Works: Delegated Decision 1874: Lease of Upper floors of 112 to 128 Derby Road and 181 to 195 Wollaton Street, Nottingham

Affected Wards: Hyson Green and Arboretum

Colleague / Councillor Interests: None

Any Information Exempt from publication: Yes

Exempt Information:

Description of what is exempt:

The value of the decision, details of the offers received and the recommended purchaser

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 relates to commercially sensitive information which if disclosed would prejudice both the bidder that has provided the information and the Council in respect of the sale of this property.

Documents exempt from publication:

List of offers.docx, Exempt appendix 2 The sale of 112 to 128 Derby Road and 181 to 195 Wollaton Street.docx

Consultations:

Date: 14/06/2019
Ward Councillors: Merlita Bryan, Azad Choudhry, Jawaid Khalil
No response to date

Date: 14/06/2019
Other: Jim Rae, Principal Planning Officer
Colleagues from Planning have been included in a review of the received bids, which were also required to provide indicative plans of the approach to the conversion and refurbishment of the buildings. Planning has advised in principle support for the successful bid and that further details will be determined in association with the necessary submission of applications for planning permission and listed building consent.

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

None

Equality:

EIA not required. Reasons: The decision does not relate to new or changing policies, services or functions and is not a financial decision that will have a direct effect on services. The decision does not concern the implementation of policies developed outside of the Council.

Relates to Council Property Assets:	Yes
Decision Type:	Leader's Key Decision
Subject to Call In:	Yes
Call In Expiry date:	03/07/2019
Advice Sought:	Legal, Finance
Legal Advice:	<p>From the information provided 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 and is supported. The proposed transaction will be subject to normal property legal due diligence and the drafting, negotiation and agreement of formal legal documentation between the parties and their legal advisors.</p> <p>Advice provided by Mick Suggett (Team leader: Conveyancing) on 18/06/2019.</p>
Finance Advice:	<p>Property trading account will lose annual rent from this property but the capital receipt will be used to reduce Property trading account debt or support future investment purchases or improve the standard of other traded properties to generate more income.</p> <p>Advice provided by Mandy Bryce (Finance Analyst) on 18/06/2019.</p>
Property Advice:	<p>This is a Strategic Assets & Property report and therefore is fully supported with no further comment required.</p> <p>Advice provided by Kevin Shutter as Property Adviser (Director of Strategic Assets & Property) on 18/06/2019.</p>
Signatures:	<p>David Mellen (Leader/ PH Regeneration, Safety and Communications)</p> <p>SIGNED and Dated: 25/06/2019</p> <p>Chris Henning (Corporate Director for Development and Growth)</p> <p>SIGNED and Dated: 21/06/2019</p>