

Nottingham City Council Delegated Decision



Nottingham
City Council

| | |
|-----------------------------|--|
| Reference Number: | 3671 |
| Author: | Jeremy Bryce |
| Department: | Development and Growth |
| Contact: | Jeremy Bryce (Job Title: Surveyor, Email: jeremy.bryce@nottinghamcity.gov.uk, Phone: 01158763082) |
| Subject: | Sale of 15 - 17 Stoney Street, Nottingham NG1 1LP |
| Total Value: | see exempt appendix (Type: Capital) |
| Decision Being Taken: | <p>To declare 15 - 17 Stoney Street, Lace Market, Nottingham NG1 1LP surplus to 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 requirements 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 interest of the property as set out in the exempt appendix.</p> <p>To reinvest the capital receipt in the Trading Account for use in the repair, maintenance or acquisition of better performing assets.</p> |
| Reasons for the Decision(s) | <p>The premises are currently let as multi occupied office units (see tenancy schedule in exempt appendix) over the ground, first, second and third floors with basement storage areas and ten external in curtilage parking spaces. Generally this three storey semi detached property is in quite reasonable condition and repair, having been refurbished in 1991. However, recently completed Energy Performance Certificates show that most parts of the building fail to meet newly enacted EPC legislation. The high cost of investment to make the whole building compliant (estimates in the exempt appendix) and make the void units available for rent at higher market rents makes retention uneconomical. The proposed capital savings and future receipt would be put to better use if reinvested in better performing assets.</p> |

Other Options Considered: Continue to let the premises in the open market. However this is a property in a high profile location that requires significant capital investment to maintain a viable income stream. Therefore this option was rejected.
Complete a basic repair and refurbishment programme of the building to conform with the new statutory EPC regulations. High level costing estimates compared against the proposed higher market rents show that repairs are not economical over a 10 year payback period. Therefore this option was rejected.
Sell in the open market by informal tender. This is the chosen option. An open market sale will ensure the Council receives the best value as the building does lend itself to other uses which would yield a better return for a private investor.

Background Papers: None

Published Works: None

Affected Wards: Castle

Colleague / Councillor Interests: None

Any Information Exempt from publication: Yes

Exempt Information:

Description of what is exempt: The valuation, the tenancy schedule and the business case for repairs.

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 sale price and estimated refurbishment costs for property, disclosure of which will prejudice the Council's position in negotiations.

Documents exempt from publication:

Appendix to 15-17 Stoney Street PHA.doc

Consultations:

Date: 11/09/2019

Ward Councillors: Sam Webster, Angharad Roberts

12.9.2019 Both councillors have responded with no objections to the disposal

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.

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

17/10/2019

Advice Sought:

Legal, Finance, Property

Legal Advice:

The proposals set out in the report raise no significant legal issues and are supported. Advice provided by Malcolm Townroe (Director of Legal and Governance) on 16/09/2019.

Finance Advice:

Property trading account will lose annual rent and service charge 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. Advice provided by Mandy Bryce (Finance Analyst) on 13/09/2019.

Property Advice:

This is a Strategic Assets and Property report and as such no further Property comments are required Advice provided by Rodney Alan Martin (Development Manager) on 24/09/2019.

Signatures

David Mellen (Leader/ PH Regeneration, Safety and Communications)

SIGNED and Dated: 09/10/2019

Chris Henning (Corporate Director for Development and Growth)

SIGNED and Dated: 26/09/2019