



Officer Decision Record

1. Subject and details of the matter (to include reasons for the decision)

The Elms, 22 Abbey Road, Grimsby

The subject site was vacated at the end of January 2016 by tenants occupying the ground floor following the Council's decision to vacate the first floor as part of Property Rationalisation. Subsequently the site, comprising a main building with adjacent bungalow was declared surplus. The most recent use of the site was for office accommodation.

The disposal of the site was approved by Cabinet on 15th April 2015. Once the Council had considered the site internally, instructions were provided, on 6th November 2015, to dispose on the open market with the Council's retained agent at that time who were instructed to market the property. This did not result in a sale completing.

Since then, the Council's newly appointed agent PPH Commercial Ltd. were instructed to re-market the premises for a freehold disposal. The property was marketed at the start of October 2020 and has generated significant interest.

Given the amount of interest and offers, it was advised to conclude with 'Best and Final Offers' on Friday 27th November at 12pm. This resulted in the following offers being received:

1. Bidder 1 (preferred) – "Q" - £301,000 cash/unconditional – looking to refurbish and develop the property to provide several apartments and townhouses. This is a Doncaster based development company.
2. Bidder 2 - £296,000 – Cash offer but subject to survey - Intended use as a Bed & Breakfast facility of homeless people with the intention that the building should be fully restored within 12-18 months. Company based in Birmingham. Proof of funds already supplied.

3. Bidder 3 - £275,000 subject to planning for residential conversion to 10-12 apartments. Subject to funding via development finance.
4. Bidder 4 - £260,000, subject to planning for conversion to provide 11 no. 1 bed apartments, 4 no. 2 bed apartments and the refurbishment of the bungalow. Local consortium who has recently purchased and refurbished a local property.
5. Bidder 5 - £250,000 cash offer to convert the premises into 13 apartments for the homeless. On 8th December 2020 – outside the best and final offers deadline – the offer was increased to £280,000.

There were 11 others that expressed an interest but did not put forward offers by the best and final deadline.

The offer from the preferred bidder is clearly the highest and it is the only one which is cash and unconditional and therefore is recommended to proceed subject to proof of funds. The intended use is residential, particularly being the demolition of the later and poorer 1960's accommodation that wraps around the side and rear elevation of the original traditional Victorian Villa building, together with the demolition of the detached single storey bungalow. Their aim is to re-develop the main building into several apartments together with the construction of new build 3-4 bed roomed townhouses.

The preferred bidder is keen to complete the purchase as soon as the Council's legal team can transact the property after which they would submit for planning following completion.

Evidence has been seen as to past successful delivery of similar projects by Q.

Consideration have been given to a 'buy back' clause and 'longstop date' as conditions to the sale.

However, it has been determined that a 'buy back' clause could adversely affect the development funding and restrict the developer from advancing plans for the site.

In terms of the 'longstop date' (to hold the developer to a completion date for the development) the Council has received assurance from the developer that is deemed sufficient as written confirmation of the developer's intentions.

In the event that the development does not progress, the Council could look to other powers that are available, in terms of Planning and Building Control enforcement. In addition, the Council has powers in respect to Compulsory Purchase Orders (CPOs) and could look to pursue this option to acquire the property back should it be left vacant

for a prolonged period of time without any activity taking place through the Planning process or on site.

2. Is it a Key Decision as defined in the Constitution?

No – the decision is under £350,000:

- will result in a capital receipt below the threshold definition of a Key Decision;
- relates to and impacts solely on one Ward (Park);
- is not significant in terms of the number of residents / service users that will be affected in the ward;
- is not likely to result in substantial public interest; and
- will not incur a significant social, economic or environmental risk.

3. Details of Decision

That 'The Elms' site be sold to Q generating a capital receipt of £301,000 (less costs of sale) in accordance with the recommendations regarding the longstop date for redevelopment.

The sale is unconditional and is a cash offer. The due diligence on Q gives confidence. The ultimate sale price of £301,000 would create a significant capital receipt for the Council and would remove the liabilities associated with a void property.

4. Is it an Urgent Decision? If yes, specify the reasons for urgency Urgent decisions will require sign off by the relevant scrutiny chair(s) as not subject to call in.

N/A – it is not a Key Decision needed to be made urgently. However there is a risk the preferred bidder may withdraw if this decision is not made quickly.

5. Anticipated outcome(s)

The offer is not subject to any onerous conditions or subject to Planning permission being agreed; therefore, pending exchange of contracts the Council will continue to manage the property as a void until the sale completes.

Completion of this disposal will realise a capital receipt of £301,000 (less costs of sale).

6. Details of any alternative options considered and rejected by the officer when making the decision.

The Council has considered several possible internal uses which have not been progressed primarily due to cost of refurbishment.

7. Background documents considered.

None.

8. Does the taking of the decision include consideration of Exempt information? If yes, specify the relevant paragraph of Schedule 12A and the reasons.

No, the report is Open and will be published once the sale completes.

9. Details of any conflict of interest declared by any Cabinet Member who was consulted by the officer which relates to the decision (in respect of any declared conflict of interest, please provide a note of dispensation granted by the Council's Chief Executive)

None.

10. Monitoring Officer Comments (Monitoring Officer or Deputy Monitoring Officer)

The disposal was approved by Cabinet on 15th April 2015.

The Council is statutorily bound to achieve the best price reasonably obtainable (s123 Local Government Act 1972). The Council has embarked upon an open marketing process properly conducted and has favoured the highest available offer. The Council is able to demonstrate its compliance with its statutory duties to achieve the best price reasonably obtainable.

Clearly Legal Services will support the disposal process.

11. Section 151 Officer Comments (Deputy S151 Officer or nominee)

The sale will generate a capital receipt of £301k less costs of sale. The receipt will be reinvested into the Council's Capital investment Programme and therefore reduce future borrowing requirements. In addition the sale will remove ongoing void cost liabilities and support the Council's financial objective to increase the local tax base.

12. Human Resource Comments (Strategic Workforce Lead or nominee)

There are no direct HR implications.

13. Risk Assessment (in accordance with the Report Writing Guide)

Crime and Disorder – The site is within an established residential location, however, acts of crime and vandalism have been significant, therefore, disposal of the site will ultimately remove any on-going liability to the Council.

Diversity – The potential sale provides the opportunities for the site to be redeveloped and will ensure the local community benefit from an improved street scene.

Value for Money – The recommendation to dispose of the site detailed within this report will remove the costs associated with maintaining void buildings and secure a capital receipt to support future capital projects.

14. Decision Maker:

Name: Sharon Wroot

Title: Executive Director of
Environment, Economy and
Resources

Signed: REDACTED

Dated: 3rd February 2021**15. Consultation carried out with
Portfolio Holder:**

Name: Councillor Stan Shreeve

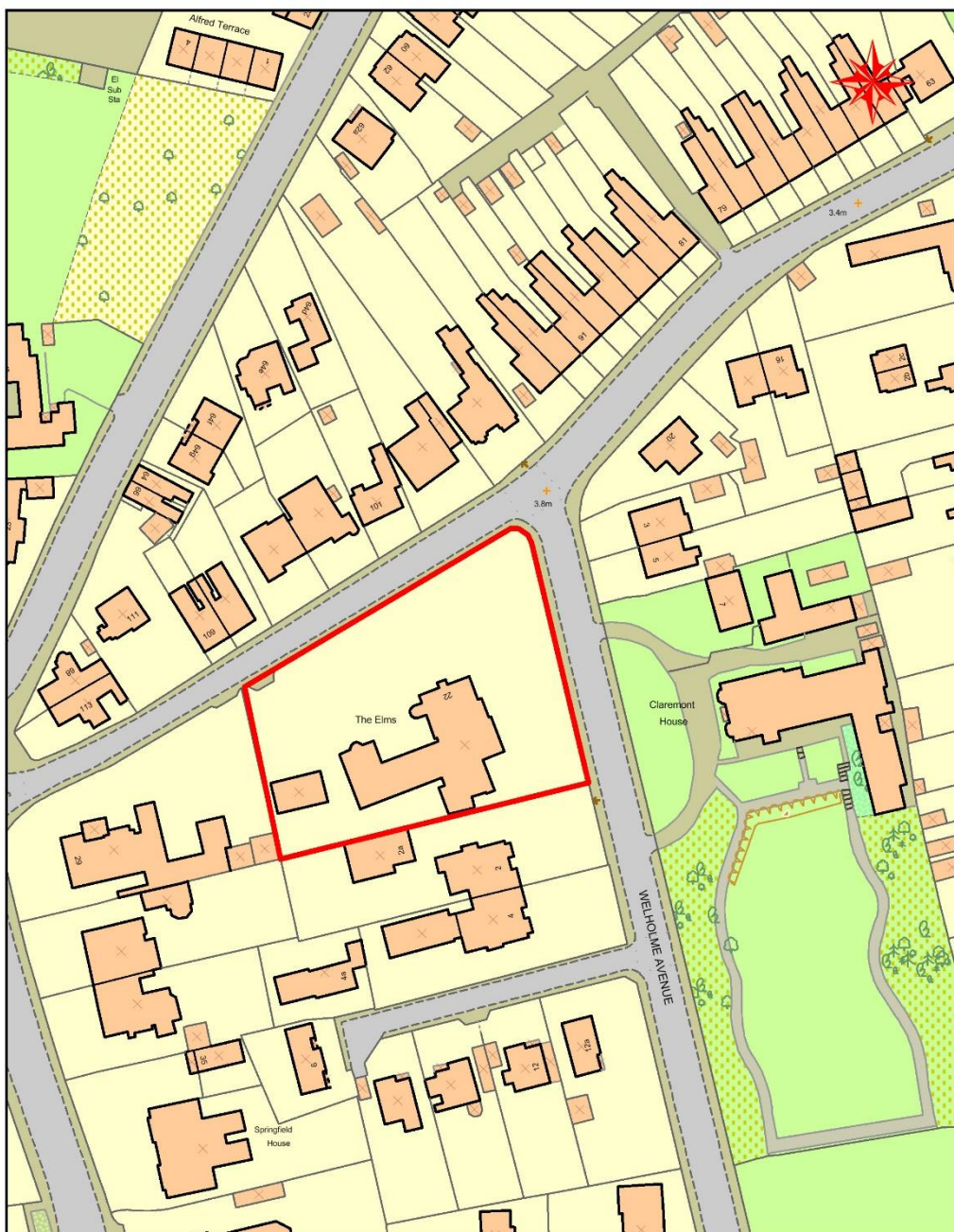
Title: Deputy Leader of the Council
and Portfolio Holder Finance,
Resources and Assets


Signed: REDACTED

Dated: 03 February 2021

Appendix One – Site Location Plan

Location Map



 Working in Partnership	Details The Elms and Bungalow			Rev No.	This product includes mapping data licensed from Ordnance Survey with the permission of the Controller of HMSO. © Crown copyright 2015. All rights reserved. Licence number 100020759
	Drawn by	Scale 1:1250	Date 01/09/2017		
	File Pathname / Project / Drawing No.				
				North East Lincolnshire Council Civic Offices Knoll Street Cleethorpes, DN35 8LN	www.nelincs.gov.uk