



Officer Decision Record – Key Decision

Key decisions taken by an officer are subject to the 5-day call in period from circulation to Members, and therefore the decision will be released for implementation following the call-in period and no call in being received

1. Cabinet date and copy resolution this key decision relates to

Freehold disposal of 98-100 Garibaldi Street, Grimsby

Cabinet resolved at its meeting of 16th June 2021 the principle of a freehold disposal to the Rock Foundation, subject to a covenant to restrict the use of the Property to Charitable aims and objectives and reserve to the Council an option to either re-acquire the Property or receive the market value:

DN.14

DISPOSAL OF PROPERTY AT LESS THAN BEST CONSIDERATION – FREEHOLD DISPOSAL OF FORMER PUBLIC CONVENIENCES, ADJOINING AND FIRST FLOOR OFFICES AT 98-100 GARIBALDI STREET, GRIMSBY

Cabinet considered a report from the Deputy Leader and Portfolio Holder for Finance, Resources and Assets seeking authority to dispose of the former public conveniences and offices across the ground and first floor at 98-100 Garibaldi Street by way of a freehold disposal.

RESOLVED –

1. That the principle of a freehold disposal at a nominal value to the Rock Foundation subject to a covenant within the freehold transfer to restrict the use of the Property to Charitable aims and objectives and reserve to the Council an option to either re-acquire the Property or receive the market value consideration from the Group, should

the property ever cease to be used for Charitable aims and objectives or be sold on for development, be approved.

2. That authority be delegated to the Executive Director of Environment, Economy and Resources, in consultation with the Deputy Leader and Portfolio Holder for Finance, Resources and Assets, to settle all terms and ensure that all necessary actions are carried out to complete the freehold disposal.

3. That the Assistant Director of Law, Governance and Assets (Monitoring Officer) be authorised to complete and execute all requisite legal documentation in relation to the matters outlined above.

REASONS FOR DECISION - A proposal has been received from the Group which has been considered as part of the Council's approach to Community Asset Transfers (CAT). The proposal has been agreed in principle which could result in the transfer of the subject Property to the Group by virtue of a freehold disposal. Approval would enable the asset to transfer to the Group on the basis that their proposal is sustainable and viable, as outlined through a detailed Business Case.

OTHER OPTIONS CONSIDERED – To do nothing would see the Property continue to be under-utilised and would not offer a solution to the Group to continue to provide much needed support to service users and to expand their current offer. The condition of the Property would continue to deteriorate attracting further anti-social behaviour and all the repair and maintenance obligations and cost would rest with the Council. This would result in a negative impact to the community. The Group have presented a robust Business Case which demonstrates extensive social return on investment and preference for a freehold disposal in support of the proposal and will result in a full community use of the Property. It is not considered a viable option to improve the maintenance activities or fully manage the Property as is currently and the Council risk unnecessary and negative publicity as well as potentially being wholly liable for the Property, together with all future associated expenditure including any missed opportunity of investment into or expansion of the potential use and activities. A lease of the Property was considered, which would need to have been granted for a long term. However, given the type and location of the Property, the Council does not require the retention of an element of control. The conditions set out above as part of

the proposed freehold transfer of the Property will mitigate any risks to the Council of the Property being used for non-charitable purposes or being redeveloped for a profit.

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

Approval to complete the freehold disposal as resolved by Cabinet. The sale includes a covenant which allows use of the property at nil value for Charitable purposes. Should this position change, the Council could trigger an option within a period of 20 years (up to 1st June 2042) to receive the original value of the property plus interest at 2% above the base rate of the Bank of England or the market value of the property.

3. Decision being taken

That the Executive Director of Environment, Economy and Resources, in consultation with the Portfolio Holder for Finance, Resources and Assets, settle all terms and ensure that all necessary actions are carried out to complete the freehold disposal.

That the Assistant Director of Law, Governance and Assets (Monitoring Officer) be authorised to complete and execute all requisite legal documentation in relation to the matters outlined above.

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.

No.

5. Anticipated outcome(s)/benefits

That the vacant Premises at 98-100 Garibaldi Street are renovated and brought back in to use for the benefit of the local Community for Charitable purposes. This will also improve the street scene in this area of the Borough.

6. Details of any alternative options considered and rejected by the officer when making the decision (this should be similar to original cabinet decision)

To do nothing would see the Property continue to be under-utilised and would not offer a solution to provide much needed support to service users and to expand the Rock Foundations current offer. The condition of the Property would continue to deteriorate attracting further anti-social behaviour and all the repair and maintenance obligations

and cost would rest with the Council. This would result in a negative impact to the community and street scene.

A lease of the Property was considered, which would need to have been granted for a long term. However, given the type and location of the Property, the Council does not require the retention of an element of control. The conditions set out above as part of the proposed freehold transfer of the Property will mitigate any risks to the Council of the Property not being used for Charitable Purposes and being redeveloped for a profit.

7. Background documents considered (web links to be included and copies of documents provided for publishing)

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

N/A

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)

N/A

10. Monitoring Officer Comments (Monitoring Officer or nominee)

The above decision is consistent with the will of Cabinet.

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

The disposal will achieve social value to the community that exceeds the value of a lost capital receipt.

The disposal will also generate ongoing maintenance and utility cost savings to the Council.

12. Human Resource Comments (Head of People and Culture or nominee)

There are no direct HR implications

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

The risk to the Council in progressing with a freehold disposal to the Group is considered minimal. The Council will impose covenants within the freehold transfer to ensure the Property is being used for Charitable Purposes. Further, the Council will reserve an option so in the event the Property use, or ownership is proposed to change to non-charitable purposes, the Council have a mechanism within a 20-year period to receive the original value of the property plus interest at 2% above the base rate of the Bank of England or the market value of the property.

Future risks will be passed to and remain with the Rock Foundation in respect to the operational costs of maintenance and the obligation of repair and maintenance to an acceptable standard to ensure ongoing use, as well as investment opportunities in respect to the Property.

There are no identifiable environmental sustainability implications because it is the intention that the condition of the Property will be improved and maintained based on an operational use. The Property investment and usage will be a positive reflection to the street scene and will remove the financial commitments of the Council.

14. Has the Cabinet Tracker been updated with details of this decision?

Yes

15. Decision Maker:

Name: Sharon Wroot
Title: Executive Director for Environment,
Economy and Resources
Signed: REDACTED
Dated: 1st August 2022

**16. Consultation carried out with the
Portfolio Holder:**

Name: Cllr Stephen Harness
Title: Portfolio Holder for Finance,
Resources and Assets
Signed: REDACTED
Dated: 2nd August 2022