

**NORTH EAST LINCOLNSHIRE COUNCIL
LAW AND DEMOCRATIC SERVICES**

**Scrutiny call-in mechanism on Cabinet/Portfolio
Holder decisions**

Date	22nd May 2024
Cabinet Item (title)	Freehold disposal of Grimsby Business Centre, King Edward Street, Grimsby, DN31 3JH
Decision Notice No.	Cabinet date 8th March 2023 CB.121 – PROPERTY AND LAND DISPOSALS
Reason(s) for Call-in	Does not appear to meet the principle of the cabinet decision on low commercial return. There is no information in the ODR regarding: <ul style="list-style-type: none"> • building maintenance costs • any building repairs required • if tenants pay a service charge • Is the return quoted in the ODR after maintenance or other costs
Desired outcome for Call-in	Clarify the position on rental return after all costs are included to determine if this is in line with the resolution to dispose of property and land assets that either provide a low commercial return and/or are deemed surplus to the Council's requirements
Intended Recommendation to Cabinet	To review the decision to dispose of the asset after the Economy Scrutiny Panel has sought more clarity on the cost benefit.
Details of estimated/actual cost	One off income of £500,000 against long term annual income of £57,000 to £75,000 per year.
To be referred to which Scrutiny meeting?	Economy

SIGNATURES OF TWO MEMBERS OF THE COUNCIL

(signature)

(1) P. Bright

(2) Steve Holland

(printed name)

PAUL BRIGHT

STEVE HOLLAND



Officer Decision Record – Key Decision

Appendix A NOT FOR PUBLICATION

Exempt information within paragraph 3 of Schedule 12A to the Local Government Act 1972 (as amended)

Freehold disposal of Grimsby Business Centre, King Edward Street, Grimsby, DN31 3JH

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

Cabinet date 8th March 2023

CB.121 – PROPERTY AND LAND DISPOSALS

Cabinet considered a report from the Portfolio Holder for Finance, Resources and Assets seeking authority for the Council to dispose of a number of property and land assets that provided a low commercial return and/or that were surplus to the Council's requirements.

RESOLVED –

1. That the principle of the disposal of property and land assets that either provide a low commercial return and/or are deemed surplus to the Council's requirements, as set out within the report now submitted and as outlined within Appendix One, supported by the reasoning as set out in the report now submitted, be approved.
2. That the Executive Director Place and Resources, in consultation with the Portfolio Holder for Finance, Resources and Assets, be delegated authority to dispose of the

assets identified in the report now submitted at the Executive Director's discretion and on such terms as the Executive Director thinks fit, and to ensure that all necessary actions are conducted in order to approve detailed terms as appropriate, and thereafter complete such disposal.

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

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

The property comprises a substantial multi-occupied Business Centre of 1,404 square metres (15,107 sq ft). The property was constructed over 50 years ago and provides 73 independent units over ground and first floor, together with a central reception area with car parking available to the front of the property. The current rental income is £56,930 per annum, with potential to increase to £74,896 per annum.

The Council own the freehold interest and following a wider review of Council owned land and buildings, the property was included in a schedule of properties approved for disposal in the Cabinet resolution referred to in section 1 above. PPH Commercial have been marketing the property for sale on behalf of the Council for over 12 months.

Approval is sought to accept an offer which has recently been received, and sell the freehold interest on the commercial terms detailed in the Closed Confidential Appendix A. The centre would be sold as a going concern with the existing lease agreements being unaffected and the proposed purchaser is looking to improve and promote the facility.

The site has been openly marketed for over 12 months now, therefore by accepting the offer, the Council would be able to demonstrate that it has obtained the best consideration reasonably obtainable in accordance with S.123 of the Local Government Act 1972.

3. Decision being taken

That the Executive Director Place 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.

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

A sale of the freehold will result in a capital receipt and the existing lease agreements will continue and remain unaffected. Following completion of the sale, it is understood the proposed purchaser is intending to invest in the property, to improve and promote the business centre.

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

Retain the Freehold

The Council could retain the Freehold to continue receiving the commercial rental income and in doing so would forgo the potential capital receipt.

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

Cabinet Report - [12.-Property-and-Land-Asset-Disposals-Cabinet-Report.pdf \(nelincs.gov.uk\)](#)

Cabinet Minutes - [14.-Cabinet-Minutes-8th-March-2023-PDF-191KBicon-namepaperclip-prefixfa.pdf \(nelincs.gov.uk\)](#)

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

Yes - Appendix A - Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

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 decision is consistent with the expectation of Cabinet and the duty under s123 of the Local Government Act 1972.

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

The sale of land will generate a capital receipt that can be invested into the Council's Capital Programme. There will be no future investment requirements once the site is sold. The impact of no further ongoing revenue income / liabilities will be reflected in future MTFP.

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 preferred bidder is considered minimal.

Following completion of the sale, all future risks and obligations associated with ownership of the site, will be passed to and remain with the purchaser.

There are no identifiable environmental sustainability implications as the property is being sold as a going concern and the proposed purchaser is intending to improve the facility.

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

N/A

15. Decision Maker:

Name: Sharon Wroot

Title: Executive Director, Place and
Resources

Signed: REDACTED

Dated: 20/05/2024

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

Name: Cllr Stephen Harness

Title: Portfolio Holder for Finance,
Resources and Assets

Signed: REDACTED

Dated: 20th May 2024