



## **Officer Decision Record – Key Decision**

### **Proposed sale of three properties by public auction**

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 8<sup>th</sup> 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 Council is currently marketing three properties for sale by public auction, through its appointed agents – Eddisons. The subject properties are New Clee Industrial Estate and numbers 10 & 14 Town Hall Street. A link to the online marketing of each property is as follows and a copy of the marketing details are also attached to this report:

New Clee Industrial Estate - [Guide Price: £650,000 plus, New Clee Industrial Units, Spencer Street, Grimsby, Lincolnshire, DN31 3AA, 117129 | Mark Jenkinson](#)

10 Town Hall Street - [Guide Price: £45,000 plus, 10 Town Hall Street, Grimsby, Lincolnshire, DN31 1HN, 117066 | Mark Jenkinson](#)

14 Town Hall Street - [Guide Price: £45,000 plus, 14 Town Hall Street, Grimsby, Lincolnshire, DN31 1HN, 117067 | Mark Jenkinson](#)

### 10 Town Hall Street

The property comprises a mid-terraced building located in Grimsby Town Centre, which has been adapted to provide office accommodation. The property has been vacant for several years and is surplus to the Council's requirements.

### 14 Town Hall Street

The property also comprises a mid-terraced building which has been configured to provide office accommodation. The property is let under the terms of a 3-year lease where the rent received is £5,750 per annum. However, the lease is due to terminate on 28th February 2025 and therefore the property will be offered for sale with vacant possession. The property is surplus to the Council's requirements.

### New Clee Industrial Estate

New Clee Industrial Estate comprises 14 individual industrial units in three separate blocks, occupying a site of just over 1 acre. The current rental income from the estate is £43,701 per annum. Over the last 4 years, occupancy levels across the estate have consistently ranged between 50% to 70% and currently stand at 43% occupancy with 8 vacant units on the Estate. The property was originally constructed around the

1980's and requires investment. Moreover, there is an abundance of factory unit space in Grimsby providing comparable sized accommodation to these units, so in the absence of investment, maintaining occupancy levels will continue to be challenging.

The vacant units have been actively marketed by PPH Commercial, and there has been demonstrably less interest in these units, than others in the Council's portfolio. Despite marketing, voids have continued to remain high and there are empty rates liabilities for the Council whilst ever the units remain vacant.

The properties are included in an auction taking place on 26<sup>th</sup> February 2025. The advertised guide price for the three properties is distinct from reserve price, with the latter being the minimum price at which the auctioneer is authorised by the seller to sell the property at auction. This is usually set closer to the auction, having regard to the levels of interest generated by the marketing and remains confidential. If the reserve price is achieved at the auction, an unconditional contract of sale is agreed with completion of the sale following within 28 days. Accordingly, this report seeks authority for the Executive Director Place and Resources, in consultation with the Portfolio Holder for Finance, Resources and Assets, to approve the reserve price prior to the auction and complete the proposed sale of these properties.

In accordance with S.123 of the Local Government Act 1972, the Council must demonstrate that it has achieved the best consideration reasonably obtainable. Although the legislation doesn't prescribe a particular method of sale, the most transparent way of demonstrating this is by open marketing. Accordingly, a sale by public auction provides complete transparency as by its very nature, this method of sale is conducted publicly.

A sale of the properties would generate a capital receipt to contribute towards delivery of the Council's capital programme. By the time of the auction, the properties will have been openly marketed for an appropriate length of time, therefore if the reserve price is achieved, 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 of these properties by public auction.

That the Assistant Director of Law and Governance (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**

The proposed sale of the freehold interest of the properties will result in a capital receipt and reduce the Council's void liabilities and costs associated with holding vacant property.

**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 ownership**

The Council could retain ownership of the three properties and forgo the potential capital receipt. The two properties at Town Hall Street are both surplus to the Council's operational requirements and in retaining ownership, the Council would continue to be responsible for the void liabilities and costs for these vacant buildings. Although New Clee Industrial Estate generates a commercial income, market demand for these units is not strong as evidenced by the current occupancy with 8 out of the 14 units being vacant, notwithstanding open marketing by external agents. The Council is responsible for all void liabilities and costs associated with the vacant units.

**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**

No.

**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 will and expectation of Cabinet and the duty under s123 of the Local Government Act 1972. Legal colleagues will continue to support as appropriate.

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

The sale of the properties will generate a capital receipt that can be invested into the Council's Capital Programme or utilised for transformational activities through the Flexible use of Capital Receipts Policy. Although the sale will result in no future rental income for the Council, there will also be no ongoing revenue or investment liabilities once the properties are sold.

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

There are no direct HR implications arising from the contents of this report.

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

The risk to the Council in progressing with a freehold disposal of the properties by public auction is considered minimal. A sale by public disposal is an effective method of sale. The principal risk is that if any of the properties don't reach the reserve price at the auction, in which circumstances, the Council would continue to be responsible for the void liabilities and costs of retained ownership.

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

N/A

Name: Sharon Wroot

Title: Executive Director, Place and  
Resources

Signed: REDACTED

**15. Decision Maker:**

Dated: 7<sup>th</sup> February 2025

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

Name: Cllr Stephen Harness

Title: Portfolio Holder for Finance,  
Resources and Assets

Signed: REDACTED

Dated:

07/02/25