

Operational Officer Decision Record

Where the decision has a financial value of between £100k - £350k and does not have a **significant** impact on two or more wards

1. Subject and details of the matter (to include reasons for the decision and detail of any previous cabinet decision)

Proposed freehold sale of New Standard Club and 131-135 Cleethorpe Road by Public Auction

The Council is currently marketing two properties for sale by public auction, through its appointed agents – Eddisons. The subject properties are the former New Standard Club and 131-135 Cleethorpe Road, Grimsby. A link to the online marketing of each property is as follows:

131-135 Cleethorpe Road - <u>Guide Price</u>: £50,000 plus, 131-135 Cleethorpe Road, Grimsby, Lincolnshire, DN31 3HW, 118878 | Pugh Auctions

Former New Standard Club - <u>Guide Price</u>: £150,000 plus, Former New Standard Club, 60-74 Freshney Drive, Grimsby, Lincolnshire, DN31 1TN, 118879 | Pugh Auctions

Former New Standard Club, Freshney Drive

The property comprises a former social club which was previously leased. The lease was forfeited and the Council took back possession in November 2024. The property is now vacant and surplus to the Council's operational requirements and has recently suffered some anti-social behaviour. The property represents a void liability for the Council.

131-135 Cleethorpe Road, Grimsby

This property was previously leased out on a ground lease for use as a bank, the lease was forfeited late last summer and officers have since been ensuring the legal title is clean prior to any sale. The property is surplus to the Council's operational requirements and is in an extremely poor state of repair. Significant investment would be required to bring the property back into operational use. There are also empty rates liabilities for the Council whilst ever the units remain vacant.

Proposed sale by auction

Both properties are well suited to a disposal by public auction. Accordingly, the properties have been included in an auction taking place on 27th August 2025. The advertised guide price for the two 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.

2. 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 both properties at 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

3. Anticipated outcome(s)/benefits

By selling the Freehold interest, the Council will benefit from a capital receipt and reduce the Council's void liabilities and costs, associated with holding vacant property.

The property has been openly marketed, therefore the if the properties sell at auction, 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.

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

Retain the Freehold:

The Council could retain the Freehold and continue to hold the premises, both of which are vacant and represent void liabilities for the Council.

5. Background documents considered (web link to be included or copies of documents for publishing)

The web links to the subject properties are as follows:

131-135 Cleethorpe Road - <u>Guide Price</u>: £50,000 plus, 131-135 Cleethorpe Road, <u>Grimsby, Lincolnshire, DN31 3HW, 118878 | Pugh Auctions</u>

Former New Standard Club - <u>Guide Price</u>: £150,000 plus, Former New Standard Club, 60-74 Freshney Drive, Grimsby, Lincolnshire, DN31 1TN, 118879 | Pugh Auctions

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

No.

7. 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)

No conflicts declared.

8. Monitoring Officer Comments (Monitoring Officer or nominee)

The decision is an operational decision and within the constitutional remit of the named decision maker and consultee. The s123 duty has clearly been considered as per the approach outlined within the main body of the report.

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

The disposal process supports the requirement for the Council to demonstrate that it has achieved the best consideration reasonably obtainable. The sale of the properties will generate a capital receipt to contribute towards delivery of the Council's wider capital programme.

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

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

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

The risk to the Council in progressing with a freehold disposal of the subject properties is considered minimal.

Following completion of the sales, all future risks and obligations associated with ownership of the properties, will be passed to and remain with the purchaser(s).

There are no identifiable environmental sustainability implications.

12. If the decision links to a previous one taken by Cabinet, has the Cabinet Tracker been updated?

Not applicable.

15. Decision Maker: Name: Sharon Wroot

Title: Interim Chief Executive acting as

Executive Director Place and

Resources

Signed: REDACTED

Dated: 6th August 2025

16. Consultation carried out with Portfolio Holder:

Name: Cllr Stephen Harness

Title: Portfolio Holder for Finance,

Resources and Assets

Signed: REDACTED

Dated: 6th August 2025