

Committee Name: Cabinet

Committee Date: 18/10/2023

Report Title: Managing Assets (Non-Housing)

Portfolio:	Councilor Kendrick, Cabinet member for resources
Report from:	Executive Director of Development and City Services
Wards:	Lakenham & Mancroft
OPEN PUBLIC ITEM	

Purpose

For cabinet to consider the disposal of the land identified in this report.

Recommendation:

Cabinet is requested to:

- (1) approve the disposal of assets outlined in this report; and
- (2) delegate acceptance of the most advantageous offer for 4a & 4b Guildhall to the Executive Director of Development and City Services in consultation with the Cabinet member for resources & section 151 officer.

Policy Framework

The Council has five corporate aims, which are:

- People live independently and well in a diverse and safe city.
- Norwich is a sustainable and healthy city.
- Norwich has the infrastructure and housing it needs to be a successful city.
- The city has an inclusive economy in which residents have equal opportunity to flourish.
- Norwich City Council is in good shape to serve the city.

This report meets the aim of Norwich City Council being in a good shape to serve the city. Disposal of the assets in question would alleviate the City Council of asset liabilities whilst achieving a capital receipt for disposal.

Report Details

Background

1. This report relates Land at Cooper Lane and separate properties at 4a and 4b Guildhall. Further detail on each is provided below.

Land at Cooper Land

2. The land is located to the rear of the garden of The Willows on Cooper Lane.
3. It is an overgrown grassed/marsh area with numerous large trees on the site and also at risk of flooding.
4. Norwich City Council have been approached by the owner of The Willows, Cooper Lane (a residential property) offering to purchase the land. The area in question totals approximately 1,125 sqm.
5. The land would be used to extend The Willows' garden up to the river Yare (see plan at the foot of this report).
6. This area is outside of the grounds maintenance contract and sits within the General Fund. There is no rental income produced by this piece of land.
7. Following a red-book valuation of the land, a price has been agreed in principal with the adjacent owner. In addition, any disposal will be subject to the following terms:
 - a) No permanent structure is to be built on the site
 - b) The land is to be used for garden use only
 - c) An overage provision if all or any part of the land is used as part of a new development (including as part of a garden)
 - d) The land sold cannot be used for any mooring on the river Yare.
8. The owners of the neighbouring residential property have been contacted to see if they are interested in acquiring the land. They have responded stating they are not.
9. Other options considered are outlined below;
 - a) Do nothing and retain the land. However, this would be a missed opportunity to realise a capital receipt and the council would have occasional maintenance liability of the trees on site going forward.
 - b) Dispose to another party. There would be no reason to dispose this to another party due to its location.
 - c) Progress with an off-market sale with a known interested party (as recommended). Norwich City Council have used comparable evidence from other land transactions to determine the value on this site. An independent valuation has also been carried out, which supports our figures. Disposal would eliminate any future liability for any onsite trees.

4a & 4b Guildhall

10. 4a Guildhall is an 1837 Grade II Listed former 2 storey library constructed from buff brick with 3 storey wings. 4b Guildhall is a former office building now leased to the inspiration trust and forms a wing of the former library running back towards Guildhall Hill to the eastern side of 4a. It is also Grade II listed.

11. These properties were reported to Cabinet on 16 November 2022 where Cabinet resolved to:

(1) approve the disposal of 4a Guildhall, Norwich.

(2) delegate authority to dispose of 4b Guildhall, Norwich to the Executive Director of Development and City Services if the prospect of a let as an investment does not progress in a timely manner.

(3) delegate acceptance of the most advantageous offer for recommendations 1 and 2 above to the Executive Director of Development and City Services in consultation with the Cabinet member for resources.

12. 4b Guildhall has been let to the Inspiration Trust who have now substantially completed a refit of the building for academic uses.

13. 4a Guildhall has been marketed since December 2022 for freehold disposal. Interest has been low and although two offers have been received this has not led to a successful disposal. Heads of Terms were agreed with the higher bidder however this has not proceeded due to the bidder being unable to finance the acquisition.

14. Whilst a disposal of 4a Guildhall has not been successful to date there has been interest in acquisition of both 4a and 4b Guildhall. It is therefore proposed to jointly market the properties. Whilst 4a Guildhall requires substantial investment and carries a level of risk, 4b Guildhall has a good covenant, is in good condition and can provide an income stream in the short term to any investor.

15. Other options considered are outlined below:

a) Continue marketing 4a for sale – evidence from recent marketing suggests this is unlikely to result in a sale and a secure future for the building;

b) Cease marketing and invest capital needed in 4a to secure a tenant – cash flow analysis suggests that this would be unlikely to realise a return on investment, however if a purchaser cannot be identified it may be necessary to invest in the building to secure its future.

c) Do nothing, cease marketing – not considered to be an option as 4a Guildhall will continue to deteriorate and as a Grade II listed building would require some investment in the near future if a buyer is not secured.

Financial and Resources

16. Allowing the disposal at Cooper Land will result in a capital receipt that must be used in accordance with capital financing regulations. There are no revenue

implications as no income is derived from this land, except that it will marginally increase the council's investment balances.

17. The financial implications in relation to the Guildhall site are within the exempt appendices.

Legal

18. By virtue of section 123 of the Local Government Act 1972 Norwich City Council has the necessary statutory powers to dispose of its land. This section also states that on a disposal, the Council are under a statutory obligation to obtain the best consideration that can reasonably be obtained for the land. In relation to the land at Cooper Lane whilst this has not been subject to a open market tender process, the purchaser is a special purchaser and the value has been agreed following a red book appraisal which has taken this into account. Disposal of 4a & 4b Guildhall is proposed following a marketing process to achieve best consideration.

19. Section 123(2A) of the above Act states that the council must follow certain statutory requirements to advertise the disposal of areas of open space land. In this case the land at Cooper Lane is not considered to constitute open space for the purposes of the above Act and as defined by the Town and Country Planning Act 1990.

Statutory Considerations

Consideration	Details of any implications and proposed measures to address:
Equality and Diversity	There are no direct consequences flowing from these proposals.
Health, Social and Economic Impact	There are no direct consequences flowing from these proposals.
Crime and Disorder	There are no direct consequences flowing from these proposals.
Children and Adults Safeguarding	Not applicable
Environmental Impact	There are no direct consequences flowing from these proposals.

Risk Management

Risk	Consequence	Controls Required
The land at Cooper Lane could be used without our consent.	Loss of income.	NCC would need to fence off the area, which would be costly and also effect the outlook of the area.
Future maintenance liability for the land at Cooper Lane.	Funding would be needed to maintain/remedy any issues.	Having to use resources to periodically inspect/remedy the site.
Failure to sell 4a & 4b Guildhall	4b income would be retained but 4a which needs investment would require capital investment to secure its future.	There are limited immediate controls which can be implemented, if realized a business case would need to be established for investment in the building. Further information is provided in the exempt appendix.

Reasons for the decision/recommendation

20. For the reasons outlined in this report it is recommended to dispose of the Land at Coopers Lane. It is also recommended that delegated authority is given to enable the disposal of 4a and 4b Guildhall.

Background papers: None

Appendices:

Site location Plan
Exempt Appendix

Contact Officer

Name: Mark Brown

Telephone number: 07775 007897

Email address: markbrown@norwich.gov.uk

Site location plans



