

19 January 2015**Agenda Item: 6b****REPORT OF SERVICE DIRECTOR TRANSPORT, PROPERTY &
ENVIRONMENT****THE DENEWOOD CENTRE, BILBOROUGH, NOTTINGHAM****Purpose of the Report**

- 1.To seek approval in principle to the disposal of the site of the Denewood Centre, Bilborough, Nottingham.
- 2.To inform Committee of a decision taken by the Chief Executive under the urgency procedure to the clearing of the site of the Denewood Centre, Bilborough, Nottingham.

Information and Advice**3.Commentary:**

Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972. Having regard to the circumstances, on balance the public interest in disclosing the information does not outweigh the reason for exemption because divulging the information would significantly damage the Council's commercial position. The exempt information is set out in the exempt appendix.

The Denewood Centre is a former school property. In recent years it has been used as both a staff training facility and Pupil Referral Unit (PRU) by Nottingham City Council. The City Council used the above from 2004 until late 2013. The occupation was by way of licence at nil rent with the City undertaking all repairs, maintenance and charges. The site is jointly owned by the County Council and Nottingham City Council, with the majority being owned by the County Council. The pertinent points of this case are:

- The County's landholding is approximately 2.43 Hectares (6.0 acres). This comprises the majority of the site of the original school buildings (approximately 7000m²) along with car parks, other hard-standing and grassed / landscaped areas.
- The City's landholding is approximately 0.58 Hectares (1.43 acres). This comprises a number of buildings and car parking. The City occupied these buildings in order to provide in house training, but this service relocated in September 2013. The entire site is now vacant.

- Both Councils' strategic property teams confirm that neither Council has a requirement for the property.
- The site lies in the Bilborough housing estate which is predominantly local authority or former local authority housing.
- The City Council's Planning Strategy identifies the Denewood Centre site for residential development. The City Planning Officer suggests that the site is suitable for 100 - 120 dwellings.
- Access to the site from the nearest major road, Beechdale Road, is via the estate roads. These are only 5.5m wide approximately, with unrestricted parking. Redevelopment of the site is likely to lead to an increase in traffic levels, and this may limit the size of any proposed development. Additional guidance will be sought from the City Highway Officer.
- Retention of the school buildings on the site is very costly in terms of security, business rates and utilities. Therefore it is intended that these be demolished to leave a cleared development site.
- Since vacation of the site by the City Council, running costs are being split between the two Councils. These ongoing costs (business rates, utilities and on site security) total approximately £12,000 per month for the County Council portion of the site and buildings.
- To October 2014, costs amount to £154,000. It is anticipated that demolition will take place by the end of February 2015 (6 week contract), and in this case the running costs will total in the region of £196,000. The buildings became vacant in March 2013, and up until September 2013 (hand back of the County site) the City Council bore the entire site costs. Due to the high profile nature of the site and its vulnerability, 24 hour security has been used since March 2013 to prevent trespass and damage. This was reduced to 12 hours, night time only, for a short period. Unfortunately break-ins and metal thefts commenced straight away and so 24 hour security was reinstated.
- Once demolished, costs will be limited to site security only (likely to consist of concrete blocks) and these will be minimal.
- Demolition is being procured by the City Council, the cost of this is detailed in the exempt appendix.

4. Market Commentary:

Informal advice was sought from external agents who have a good local and national knowledge of the housing market. The advice received was that buyers for this type of property are limited due to the various constraints of the site. Nonetheless, there are companies that specialise in developing this type of land.

The advice recommended that in order to improve the chances of finding a purchaser:

- All buildings, basement and footings should be demolished and removed.

(The City Council with County approval is progressing this with a target completion of February 2015).

- Formal Pre-Application advice should be obtained from Nottingham City Council Planning and Highways Departments as to the likely number of units to be permitted on the site and any likely road alterations required to accommodate the development. (This is being progressed)

The above will allow the site to be marketed with the benefit of a development brief and all relevant highway information.

5. Proposal:

Given the split ownership situation, and there being only a single point of access to the site, it is proposed that:

- Both Councils work together to dispose of the property as soon as possible following the demolition via informal tender.
- Capital receipts from the disposal and the costs incurred with the disposal will be shared on a pro-rata basis according to each party's landholding.

The report is not seeking approval to the terms and conditions of a sale. Approval is sought only to the *principle* that the property is surplus and *can* be sold. The terms and conditions for the sale will be brought before Committee for approval (or otherwise) following marketing, in the normal manner.

6. Costs:

All costs incurred are to be split on the pro rata basis between the two Authorities. This includes business rates, security, utilities, pre-demolition surveys, demolition, marketing & agency fees.

The urgent decision taken by the Chief Executive to let the demolition contract has minimised the Authority's costs. Delaying the decision would have resulted in ongoing security expenses and costs which have been saved by letting the demolition contract immediately.

Other Options Considered

7. Immediate sale of the existing site and buildings, by public auction. This is potentially the quickest method to obtain a capital receipt and transfer any liability for the site.

However:

- There is no guarantee that a reserve figure would be met.
- A buyer may not be found at all.
- No consensus exists between the Authorities to dispose of the property in this way.
- This provides limited control over the future use of the land.

Reason/s for Recommendation/s

8. To provide a capital receipt and remove future liability for the site.

Statutory and Policy Implications

9. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

- 1) That Committee approves the principle of the disposal of the site of the Denewood Centre, Bilborough, Nottingham.
- 2) That Committee notes the decision taken by the Chief Executive under the urgency procedure to the clearing of the site of the Denewood Centre, Bilborough, Nottingham.

Jas Hundal

Service Director – Transport, Property & Environment

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Constitutional Comments (EP 06.01.2015)

10. The recommendation falls within the remit of the Finance and Property Committee by virtue of its terms of reference.

Financial Comments (TR 9.12.14)

11. Any sale will generate a capital receipt which will be used to help fund the Capital Programme.

Background Papers and Published Documents

12. None.

Electoral Division(s) and Member(s) Affected

13. Ward(s): Beechdale
Member(s): n/a Nottingham District

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SP: 2770

Properties affected: 01774 - Denewood Training Centre