

Norfolk County Council

Record of Individual Cabinet Member Decision

Responsible Cabinet Member: Cllr Peck (Cabinet Member for Commercial Services & Asset Management)

Background and Purpose:

Cabinet resolved in July 2021 to formally declare its property interest in Norwich Airport Industrial Estate surplus to County Council requirements and instructed the Director of Property to dispose of the property interest. Subsequently agents were appointed jointly with Norwich City Council to market the site with the aim of disposing of the property for best consideration. There was considerable interest, and 11 bids were received.

Decision: To approve the Disposal of the County Council's property interest in Norwich Airport Industrial Estate, Fifers Lane, Norwich (4102/018) to the lead bidder on the terms agreed as detailed in Appendix A.

Is it a key decision? No

Is it subject to call-in? Yes

If Yes – the deadline for call-in is: 4pm, Thursday 7 April 2022

Impact of the Decision:

As set out in the attached report.

Evidence and reason for the decision:

As set out in the attached report.

Alternative options considered and rejected:

As set out in the attached report.

Financial, Resource or other implications considered:

As set out in the attached report.

Record of any conflict of interest:

None

Background documents:

Report to Cabinet 5 July 2021, [LINK to agenda papers](#), item 19, page 301

Date of Decision: 30/3/22**Publication Date of Decision: 31/3/22****Signed by Cabinet Member:**

I confirm that I have made the decision set out above, for the reasons also set out.

Signed: Cllr Greg Peck**Print name:** Cllr Greg Peck**Date: 30/3/22****Accompanying documents:**

- Report: Disposal of Norwich Airport Industrial Estate, Fifers Lane, Norwich (4102/018)

Once you have completed your internal department clearance process and obtained agreement of the Cabinet Member, send your completed decision notice together with the report and green form to committees@norfolk.gov.uk

Individual Cabinet Member Decision Report

Item No:

Report Title: Disposal of Norwich Airport Industrial Estate, Fifers Lane, Norwich (4102/018)

Date of Meeting: n/a

Responsible Cabinet Member: Cllr Greg Peck, Cabinet Member for Commercial Services & Asset Management

Responsible Director: Simon George, Executive Director for Finance and Commercial Services

Is this a Key Decision? No

If this is a Key Decision, date added to the Forward Plan of Key Decisions: n/a

Executive Summary / Introduction from Cabinet Member

Cabinet resolved in July 2021 to formally declare its property interest in Norwich Airport Industrial Estate surplus to Norfolk County Council requirements and instructed the Director of Property to dispose of the property interest. Subsequently agents were appointed jointly with Norwich City Council to market the site with the aim of disposing of the property for best consideration. There was considerable interest, and 11 bids were received by the closing date. The disposal will raise a significant capital receipt which will be applied to the capital programme to help meet the Council's priorities.

Recommendations:

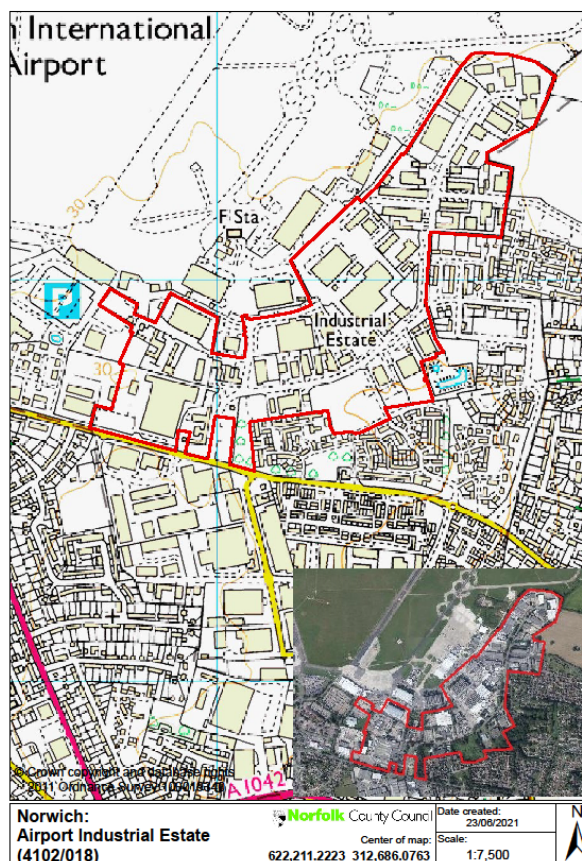
1. The Cabinet Member for Commercial Services and Asset Management is asked to approve the Disposal of the County Council's property interest in Norwich Airport Industrial Estate, Fifers Lane, Norwich (4102/018) to the lead bidder on the terms agreed as detailed in **Appendix A**.

1. Background and Purpose

- 1.1 Norwich Airport Industrial Estate (NAIE), edged red on plan, is owned by Norwich City Council, and held on express trust for Norfolk County Council (NCC), effectively giving joint ownership. Income derived from the estate is divided 60% Norfolk County Council and 40% Norwich City Council.

1.2 On 5th July 2021 Cabinet resolved to formally declare its property interest in Norwich Airport Industrial Estate, Fifers Lane, Norwich (4102/018) surplus to County Council requirements and instructed the Director of Property to dispose of the property interest.

1.3 The resolution included provision that the disposal receipt would exceed delegated limits (the key decision to dispose of an asset of a value greater than £1.25m already having been taken) and the Director of Property would make the decision in consultation with the Executive Director of Finance and Commercial Services and Cabinet Member for Commercial Services and Asset Management. Following discussions with the Executive Director and Cabinet Member it was agreed that the decision would be taken by the Cabinet Member in accordance with the individual Cabinet Member decision procedure.



1.4 Following on from the Cabinet's decision in July 2021 the Director of Property procured jointly with the City of Norwich Savills (UK) Ltd to provide valuation and marketing services.

1.5 Marketing commenced 7th February 2022 with tenders being submitted by the closing date of 11th March 2022. The site was marketed based on an unrestricted sale, allowing purchasers the opportunity to develop their own proposals

1.6 The expected capital receipt is representative of the buoyant market for light industrial and warehousing and will be shared with Norwich City Council as per the percentage shared ownership.

2. Results of the tendering process

2.1 The marketing exercise was extremely successful with a large number of interested parties undertaking good levels of due diligence that culminated in 11 best and final bids.

2.2 Following advice from Savills and in agreement with officers from Norwich City Council, the final bid that was chosen was based on the value of the bid and the confidence of completing the sale.

- 2.3 **Appendix A** is exempt from publication as it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. The public interest test has been applied and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information at this stage. The information is exempt from the Cabinet Report for the disposal of NCC's interest in Norwich Airport Industrial Estate due to information being commercially sensitive.

3. Proposal

- 3.1 NCC and Norwich City officers have reviewed the bids with the agent and agree with the agent's recommendation to accept the bid from the bidder providing the highest bid (lead bidder) on the terms as detailed in **Appendix A** so long as the evidence of funding for the full amount of their offer is supplied, terms agreed, and legal work has commenced within an agreed timescale.

4. Impact of the Proposal

- 4.1 The disposal of the NAIE will provide the opportunity for the appropriate level of investment in the estate to be made. The disposal will provide capital receipts for the council to support the capital program and hence service delivery. The County Council will apply the capital receipts to meet its priorities.

5. Evidence and Reasons for Decision

- 5.1 The highest bid is viable based on the information received and assurances made by the bidder.

6. Alternative Options

- 6.1 The alternative options range from accepting one of the lower bids to accepting none of the current bids. This could lead to the reopening of the tendering process or the long-term retention of the site whilst other options are considered. This would entail incurring retention costs for an asset that has been declared surplus to the County Council.

7. Financial Implications

- 7.1 A significant capital receipt will be received and will be applied to supporting the County Council's approved capital programme.
- 7.2 Once the sale is complete all holding costs will cease.

8. Resource Implications

- 8.1 **Staff:** Nil.
- 8.2 **Property:** As described in the earlier parts of this report.

8.3 **IT:** Nil.

9. Other Implications

9.1 **Legal Implications:** For disposals in the usual way the legal implications are around the parties agreeing to the terms of the agreement for the disposal and entering a contract.

9.2 **Human Rights Implications:** No implications.

9.3 **Equality Impact Assessment (EqIA):** No specific EqIA has been undertaken in respect of the disposal.

9.4 **Data Protection Impact Assessments (DPIA):** No implications in respect of the disposal of this site.

9.5 **Health and Safety implications (where appropriate):** No implications in respect of the disposal of this site.

9.6 **Sustainability implications (where appropriate):** Future redevelopment of the NAIE would require planning permission and therefore would be mindful of sustainability measures.

10. Risk Implications / Assessment

10.1 The risks around the disposal are around the non-agreement of terms. This risk is mitigated using experienced expert consultants.

11. Recommendations

11.1 The Cabinet Member for Commercial Services and Asset Management is asked to approve the Disposal of the County Council's property interest in Norwich Airport Industrial Estate, Fifers Lane, Norwich (4102/018) to the lead bidder on the terms agreed as detailed in **Appendix A**.

12. Background Papers

12.1 Report to Cabinet 5 July 2021, [LINK to agenda papers](#), item 19, page 301

Officer Contact

If you have any questions about matters contained within this paper, please get in touch with:

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If you need this report in large print, audio, braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.