

# Norfolk County Council

## Record of Individual Cabinet Member Decision

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

**Background and Purpose:**

The Cabinet Member for Commercial Services and Asset Management is asked to approve the disposal of Holt Hall to the lead bidder following marketing undertaken up to December 2021.

**Decision: To approve the sale of Holt Hall 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, Monday 4 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:**

**Background documents:**

- Reports to Cabinet 7 December 2020, [LINK to agenda papers](#), item 16 page 376 and item 17 page 418

**Date of Decision: 25 February 2022**

**Publication Date of Decision: 28 March 2022**

**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:** 31 January 2022

**Accompanying documents:**

**Report:** Disposal of Holt Hall, Kelling Road, Holt NR25 7DU (1049/024)

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](mailto:committees@norfolk.gov.uk)

# Individual Cabinet Member Decision Report

**Item No:**

**Report Title: Disposal of Holt Hall, Kelling Road, Holt NR25 7DU  
(1049/024)**

**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**

The County Council in December 2020 resolved to discontinue delivering outdoor learning provision from the Holt Hall site and subsequently declared the site surplus to County Council use. Since then, the site has been decommissioned, agents appointed, and a marketing exercise undertaken with the aim of disposing of the property for best consideration. There was considerable interest, and 26 bids were received. The disposal will raise a significant capital receipt which will be applied to the capital programme to help meet the Council's priorities. The lead bid will also provide for a significant contribution towards community benefit.

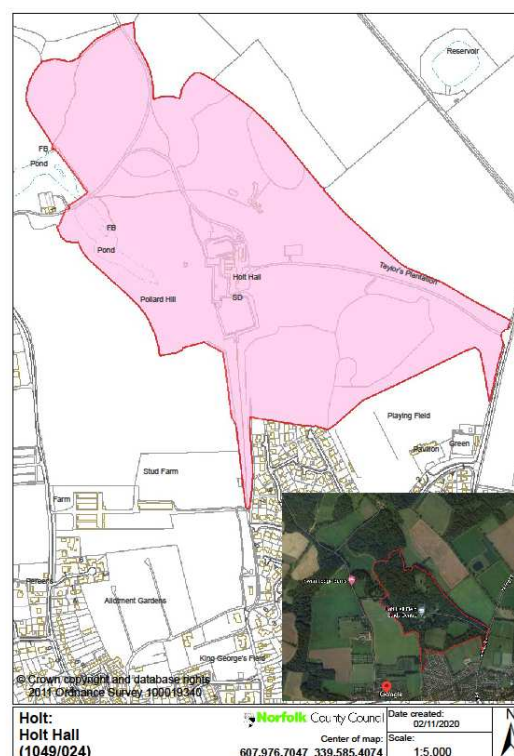
## **Recommendations:**

1. **The Cabinet Member for Commercial Services and Asset Management is asked to approve the sale of Holt Hall to the lead bidder on the terms agreed as detailed in Appendix A.**

## **1. Background and Purpose**

- 1.1 On 7<sup>th</sup> December 2020 Cabinet resolved to discontinue delivering outdoor learning provision from the Holt Hall site, with immediate effect. At the same meeting Cabinet subsequently made a key decision declaring the Holt Hall site, shaded pink on plan, surplus to Norfolk County Council (NCC) requirements and instructing the Director of Property to dispose of the property.

- 1.2 The resolution included provision that in the event the disposal receipt exceeded delegated limits (the key decision to dispose of an asset of a value greater than £1.25m already having been taken) the Director of Property in consultation with the Executive Director of Finance and Commercial Services and Cabinet Member for Commercial Services and Asset Management is authorised to accept the most advantageous offer. 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 process.
- 1.3 Should the deal with the selected bidder not progress for any reason, a separate individual Cabinet Member decision will be made to accept the bid from the most appropriate under bidder.
- 1.4 North Norfolk District Council (NNDC) listed Holt Hall as an Asset of Community Value on 8 January 2021. The property is so listed for 5 years. In this situation should the County Council wish to dispose of the property they must notify NNDC in writing that they wish to dispose. The County Council notified NNDC of their intention to dispose on 26 January 2021 in accordance with the Localism Act 2011.
- 1.5 Six weeks is allowed (called the initial moratorium period) from the date the County Council notified NNDC of the intention to dispose, for community interest groups to express a wish to be treated as potential bidders for the property. The initial moratorium period ran until 9 March 2021 and it is understood a community group wished to make a bid.
- 1.6 The procedure then provides for a 6-month moratorium on any disposal to allow time for the community group to prepare its bid. For Holt Hall the full moratorium period expired 26 July 2021, in the event tenders were asked for from October 2021 and so provided additional time for the community group.
- 1.7 The other key date in the process is the protection period date. This is the last date by when the owner can dispose of the asset based on the original date of notification of the intention to sell, for Holt Hall this is 26 July 2022. Should the disposal not be completed by then the notification process recommences from a new "intention to dispose date" and a further moratorium will then apply.
- 1.8 The final point to note regarding the Assets of Community Value process is that it does not restrict in any way to whom the County Council sells the property to,



or at what price. The process also does not confer a right of first refusal to community interest groups.

- 1.9 Following on from the Cabinet's decision in December 2020 the Director of Property procured through NPS (now Norse Consulting) Savills (UK) Ltd to provide valuation and marketing services. NPS provided the co-ordination services for the sales/disposal process, supervising Savills input and the supervision of the tendering process.
- 1.10 On 2 March 2021 Savills provided a market appraisal and advised Holt Hall to be marketed with a guide price of offers in excess of £1,500,000. However with an expectation that with the appropriate competition bids would be received that would significantly exceed this figure.
- 1.11 Marketing commenced October 2021 with tenders being submitted by the closing date of 1 December 2021. The site was marketed on the basis of an unrestricted sale, allowing purchasers the opportunity to develop their own proposals.

## **2. Results of the tendering process**

- 2.1 The competition attracted 26 bids. Several bids lacked detail and information which Officers considered relevant, and therefore a number of bidders were requested to provide additional detail, which was received. All the bidders were credible; were able to demonstrate proof of funds and had considered the use of the site. All bids were evaluated on three criteria:
  - Capital receipt.
  - Social value (in particular the support of Norfolk County Council objectives).
  - Deliverability (funding, likelihood of planning etc.).
- 2.2 Consideration was also given to the timing of any development on the site, the treatment of the heritage of the building and the environmental character of the site.
- 2.3 Following the appraisal of all bids eight bidders were invited to an interview on 26<sup>th</sup> and 28<sup>th</sup> January 2022, of these 6 bidders attended.
- 2.4 Following the interviews three bids stood out for consideration having presented the most thought through proposals, had the highest levels of social benefit for Norfolk residents and provided for the highest capital receipt. These bids are listed in confidential **Appendix A**.
- 2.5 **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 Members Delegated Decision Report for the disposal due to information being commercially sensitive which might prejudice the

council's ability to complete negotiations if released. Details will be published on the land registry website when the disposal is completed.

### **3. Proposal**

- 3.1 From an NCC Officer perspective any of these three bids would be viable. However, it should be noted that under S123 on the Local Government Act 1972, Norfolk County Council is not permitted to dispose of land for a consideration which is less than the best which is reasonably obtainable (best consideration), unless they obtain consent from the Secretary of State. On the basis that the three bids remain on the table at their current level, NCC would need to justify the rationale for a disposal at less than best consideration.
- 3.2 Furthermore, the Government has, recognised that to allow local authorities more flexibility there may be circumstances where a Local Authority considers it appropriate to dispose of land at an undervalue (at less than best consideration). For such instances, the General Disposal Consent (England) 2003 came into effect on 4th April 2003.

The main provision of the General Disposal Consent is that there is a general consent for Local Authorities to dispose of land for less than the best consideration reasonably obtainable, where:

- The Authority considers that the purpose for which the land and property is to be disposed is likely to contribute to the promotion or improvement of the economic, social or environmental wellbeing of the whole or any part of its area or any person's resident or present in its area.
- and**
- The difference between the full market value and the actual consideration payable does not exceed £2m.

- 3.3 In all cases of a disposal at less than best consideration the constitution dictates this would be a Cabinet decision.
- 3.4 In respect of the current bids, it is the advice of the Director of Property to accept the highest bid as detailed in confidential **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.
- 3.5 The two under bidders have been notified that NCC has been made an offer of such a level that it is being given due consideration. Should that bid fall away, then members can make a decision to sell to either underbidder and will be the subject of a separate report.
- 3.6 All other bidders have been informed their bids will not be taken forward and thanked for their interest and engagement in the process.

### **4. Impact of the Proposal**

- 4.1 This property disposal will provide a capital receipt 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.
- 5.2 The disposal will be accordance with section 123 of the Local Government Act 1972.

## **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 is no longer providing services to meet the County Council's priorities.

## **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 elsewhere in 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. Other implications are included within the report.
- 9.2 **Human Rights Implications:** No implications.
- 9.3 **Equality Impact Assessment (EqIA):** An EqIA was undertaken as part of the Review of outdoor learning services at Holt Hall report to Cabinet 7 December 2020.
- 9.4 **Data Protection Impact Assessments (DPIA):** No implications in respect of the disposal of this site.

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

9.6 **Sustainability implications:** No implications.

## 10. Risk Implications / Assessment

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

10.2 A delay in the decision opens the risk of the reopening on the Assets of Community Value process in respect of moratorium periods being reset.

## 11. Recommendations

11.1 The Cabinet Member for Commercial Services and Asset Management is asked to approve the sale of Holt Hall to the lead bidder on the terms agreed as detailed in **Appendix A**.

## 12. Background Papers

12.1 Reports to Cabinet 7 December 2020, [LINK to agenda papers](#), item 16 page 376 and item 17 page 418

### Officer Contact

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

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