

Cabinet

Date: **8 November 2021**

Time: **10:00am**

Venue: **Council Chamber, County Hall, Martineau Lane,
Norwich NR1 2DH**

SUPPLEMENTARY AGENDA 2

Advice for members of the public:

This meeting will be held in public and in person.

It will be live streamed on YouTube and, in view of Covid-19 guidelines, we would encourage members of the public to watch remotely by clicking on the following link:

https://www.youtube.com/channel/UCdyUrFjYNPq5psa-LFIJA/videos?view=2&live_view=502

However, if you wish to attend in person it would be most helpful if, on this occasion, you could indicate in advance that it is your intention to do so. This can be done by emailing committees@norfolk.gov.uk where we will ask you to provide your name, address and details of how we can contact you (in the event of a Covid-19 outbreak). Please note that public seating will be limited.

Councillors and Officers attending the meeting will be taking a lateral flow test in advance. They will also be required to wear face masks when they are moving around the room but may remove them once seated. We would like to request that anyone attending the meeting does the same to help make the event safe for all those attending. Information about symptom-free testing is available [here](#).

5. To receive any items of business which the Chair decides should be considered as a matter of urgency:

Disposal, acquisition and exploitation of property

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Report by the Executive Director of Finance and Commercial Services

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Cabinet

Item No: 5, Urgent Business

Report Title: Disposal, acquisition and exploitation of property

Date of Meeting: 08 November 2021

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

Responsible Director: Simon George, Executive Director of 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

Proposals in this report are aimed at supporting Norfolk County Council (NCC) priorities by exploiting properties surplus to operational requirements, pro-actively releasing property assets with latent value where the operational needs can be met from elsewhere and strategically acquiring property to drive economic growth and wellbeing in the County.

One of the key strategic actions within the Asset Management Plan is a sharp focus on maximising income through adoption of a more commercial approach to property.

As part of corporate management of property and a systematic approach to reviewing the use and future needs of property assets for service delivery there is a continued emphasis on minimising the extent of the property estate retained for operational purpose. However, on occasion there will be the requirement to acquire or reuse an individual property to support a service to delivers its aims.

By adopting a “single estate” approach within the County Council and sharing property assets with public sector partners through the One Public Estate programme, the Council is aiming to reduce net annual property expenditure by £1million over the next two years (2021/22 to 2022/23).

Consideration is also given to the suitability of surplus property assets for reuse or redevelopment to meet specific service needs that could improve the quality of services for users, address other policy areas and/or improve financial efficiency for the County Council, for example, facilitating the supply of assisted living

accommodation and other housing solutions for people requiring care, or undertaking re-development to support jobs and growth.

Recommendations:

- 1. Cabinet is asked to agree to the granting of a supplemental lease of Litcham Child Care Centre, Weasenham Road PE32 2QT to Synergy MAT for use as nursery and early years provision on the agreed terms.**

1. Background and Purpose

- 1.1 The County Council actively manages its property portfolio in accordance with the Asset Management Plan. Property is held principally to support direct service delivery, support policy objectives, held for administrative purposes or to generate income. Property is acquired or disposed of as a reaction to changing service requirements, changing council policies or to improve the efficiency of the overall portfolio.
- 1.2 The County Council challenges the use of its property on an ongoing basis. In the event of a property asset becoming surplus to an individual service need there are internal officer led processes to ascertain whether other service areas have an unmet need that could be addressed by re-using the property asset for that service. This may lead to a change of use of individual properties, for example, an office building may be adapted and reused for operational service delivery. Any proposals for retention are only agreed if supported by a robust business case showing the benefits to the County Council and are funded from approved budgets. This assessment will also consider whether a property could be offered at best consideration to public sector or third sector partners.
- 1.3 The above assessments are carried out by the Corporate Property Officer (the Director of Property) in consultation with the Corporate Property Strategy Group (CPSG). Once it is confirmed there is no further County Council requirement, Cabinet is asked to formally declare property assets surplus or re-designate for alternative purposes.
- 1.4 The Corporate Property Officer reviews options for maximising income from surplus properties usually by open market sale to obtain the best consideration possible. These will range from selling immediately on the open market (to the bidder making the best offer overall), enhancing the value prior to sale, strategic retention for a longer-term benefit through to direct development of the land and buildings and selling/letting the completed assets, in the expectation of enhanced income for the Council. Most disposals will be by way of tender or auction. In respect of auctions the contract of sale will be formed at the fall of the hammer and where this approach is selected the Corporate Property Officer will determine a reserve below which the property will not be sold. Most disposals will include overage/clawback provisions to enable the council to collect future uplifts in value created by alternative uses.
- 1.5 For properties to be sold immediately there is sometimes a need to consider selling directly to a specific purchaser instead of going to the open market. This may be justified where the third party is in a special purchaser situation and is

willing to offer more than the assessed market value. Conversely this might be to a purchaser who is in a unique position of control for the unlocking of the full latent value of the County Council owned site (ransom situation). A direct sale without going to market can also be justified if there are specific service benefits or a special partnership relationship which is of strategic value with service/community benefits.

- 1.6 In making recommendations for direct sale without going to market, or direct property development, the Corporate Property Officer will consider risks, opportunities, service objectives, financial requirements and community benefits.
- 1.7 The recommendations for all disposals, acquisitions and exploitation of NCC property in this report follow detailed assessment by officers of the range of options available. The recommendation for each property is based on existing policies and strategies and judged to provide the best return to the County Council in financial terms and, where appropriate, taking account of community and economic benefits.

2. Proposal

Litcham – Child Care Centre, Weasenham Road PE32 2QT (3054/021)

- 2.1 Litcham Child Care Centre was built in 2009 and is a standalone building co-located with Litcham Primary School, edged red on plan. It was previously operated by Action for Children as a Children's Centre; this use was discontinued by 2017. Subsequently it has been operated by Litcham Primary School as a childcare facility providing nursery services and before and after school clubs.

- 2.2 Following a review of the future of Early Childhood and Family ('ECFS') services within the County, the Children's Services Committee on 22nd January 2019 approved recommendations on the future operation of the service, which included specific recommendations on future Children's Centre locations. This building was not required to support future delivery of ECFS services

- 2.3 Litcham Childcare Centre was the subject of capital funding from the Department of Education (DfE). This included provision for a clawback payable to the DfE if the use of the building was no longer compliant



with relevant early years activity. This clawback provision covered a period of 25 years through to 2034.

- 2.4 The building is already operated in conjunction with Litcham Primary School as a nursery and is physically located on the school site. Continued operation by the Primary School is identified as the only realistic option for the future use of the building.
- 2.5 Litcham Primary School is operated through Synergy Multi Academy Trust ('MAT') under a 125-year lease from Norfolk County Council which commenced on 1st September 2018.
- 2.6 It is proposed that a supplemental lease is granted to Synergy MAT in respect of Litcham Childcare Centre on the same terms as set out in the existing academy lease for the Primary School site dated 29th August 2018, with the exception of the user provisions, and as resolved by Cabinet 2 September 2019 in respect of leasing out repurposed Children's Centres to Academies for the residue of the 125-year term expiring 31st August 2143, hence the requirement for this to be approved by Cabinet and the rent to be nil.
- 2.7 Early years use to be compliant with DfE requirements through to the end of the funding clawback period in 2034.

3. Impact of the Proposal

- 3.1 Will ensure the continued use of the building as a childcare facility providing both nursery services and before and after school clubs.

4. Evidence and Reasons for Decision

- 4.1 This proposal ensures the continued use of the Litcham Child Care Centre for nursery and early years provision.

5. Alternative Options

- 5.1 No viable alternative.

6. Financial Implications

- 6.1 All other costs in respect of the occupation and operation of the site management costs will be met by Synergy MAT

7. Resource Implications

- 7.1 **Staff:** n/a
- 7.2 **Property:** As described in the earlier parts of this report.
- 7.3 **IT:** n/a

8. Other Implications

- 8.1 **Legal Implications:** This transaction is a disposal of land at less than best consideration. By virtue of the Local Government Act 1972; General Disposal Consent (England) 2003 ("the Consent") consent is given from the Secretary of State for such a disposal where a) the local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any part of its area, or of all or any persons resident or present in its area; i) the promotion or improvement of economic well-being; ii) the promotion or improvement of social well-being; iii) the promotion or improvement of environmental well-being; and b) the difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2,000,000 (two million pounds).

Secretary of State consent is therefore not required for this disposal if Norfolk County Council considers that it will help it to secure the promotion or improvement of the economic, social or environmental well-being of its area and it is satisfied that the value of the asset disposed of is less than £2,000,000 which has been confirmed by the Council's agent, NPS.

- 8.2 **Human Rights Implications:** No implications.
- 8.3 **Equality Impact Assessment (EqIA):** No specific EqIA has been undertaken in respect of the leasing out of this site.
- 8.4 **Data Protection Impact Assessments (DPIA):** No data protection impact implications in respect of the leasing out of this site.
- 8.5 **Health and Safety implications (where appropriate):** No implications.
- 8.6 **Sustainability implications (where appropriate):** n/a
- 8.7 **Any Other Implications:** n/a

9. Risk Implications / Assessment

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

10. Recommendations

- 10.1 Cabinet is asked to agree to the granting of a supplemental lease of Litcham Child Care Centre, Weasenham Road PE32 2QT to Synergy MAT for use as nursery and early years provision on the agreed terms.

11. Background Papers

- 11.1 None

Officer Contact

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

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