

BIRMINGHAM CITY COUNCIL**PUBLIC REPORT**

Report to:	CABINET	
Report of:	DIRECTOR OF PROPERTY	
Date of Decision:	16 FEBRUARY 2016	
SUBJECT:	DISPOSAL OF 150 – 152 GREAT CHARLES STREET, BIRMINGHAM	
Key Decision: Yes	Relevant Forward Plan Ref: 01222/2016	
If not in the Forward Plan: (please "X" box)	Chief Executive approved	X
	O&S Approved	X
Type of decision	Executive	
Relevant Cabinet Member(s):	The Deputy Leader – Councillor Ian Ward, The Cabinet Member for Development, Transport and the Economy – Councillor Ali	
Relevant O&S Chairman:	Councillor Waseem Zaffar, Corporate Resources Overview and Scrutiny Committee	
Wards affected:	LADYWOOD	

1. Purpose of report:
1.1 The purpose of this report is to note the intention to dispose of 150-152 Great Charles Street, Birmingham (PAL 01654 and PAL 03980) as shown edged black on the attached plan at Appendix 1.
1.2 Financial details of the transaction are provided in the private report.
1.3 This matter was not included in the Forward Plan because there has been a problem with the CMIS system and although the item was loaded on the system on 21 st December 2015 it has not appeared on the Forward Plan until 21 st January 2016.

2. Decision(s) recommended:
That Cabinet:
2.1 Note this report.

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<p>3. Consultation</p> <p>3.1 <u>Internal</u></p> <p>3.1.1 The Chief Executive and Chair of Corporate Resources Overview & Scrutiny Committee have been consulted on and approved the submitting of this report to the February Cabinet meeting.</p> <p>3.1.2 Officers in Planning and Regeneration, Legal Services and City Finance have been consulted and are supportive of the report going forward. The Deputy Leader, the Cabinet Member for Development, Transport and the Economy have been consulted on the Cabinet report of the 20th May 2013, which declared the property surplus to requirements. Ladywood Ward Members (Councillor Sir Albert Bore, Councillor Carl Rice, and Councillor Kath Hartley) have been consulted on the proposed disposal and no adverse comments were received.</p> <p>3.2 <u>External</u></p> <p>None</p>	<p>4. Compliance Issues:</p> <p>4.1 <u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u></p> <p>4.1.1 150-152 Great Charles Street is part of the Central Administrative Buildings (CAB) which is a sub-programme of the Working for the Future (WFTF) Business Transformation programme. The programme has enabled the Council to continue to reduce the size of the underperforming administrative office portfolio.</p> <p>4.1.2 Release of the property from the Council's portfolio aligns resources and objectives to the priorities and strategic outcomes as per the 'Council Business Plan and Budget 2016+' specifically Succeed Economically, by the generation of a capital receipt from the disposal.</p> <p>4.2 <u>Financial Implications</u></p> <p>4.2.1 In line with the disposal strategy for the property a do nothing option removes an opportunity for the Council to raise a capital receipt. The disposal will generate a capital receipt for the Council and the purchaser will make a contribution towards Council's fees in relation to the disposal. Annual building running cost savings will also be delivered following the disposal.</p> <p>4.2.2 The capital receipts from the CAB properties are earmarked to the CAB business case approved by Cabinet in July 2009.</p> <p>4.2.3 An income stream flows to the Council from this property. Through the disposal of the property this income will pass to the purchaser.</p> <p>4.3 <u>Legal Implications</u></p> <p>4.3.1 The Council has a duty to efficiently manage its assets and has the power to hold and dispose of land under Sections 120 and 123 of the Local Government Act 1972.</p> <p>4.4 <u>Public Sector Equality Duty</u></p> <p>4.4.1 An Equality Assessment (EA) was undertaken for this proposal, which confirms that a full EA is not required for the purposes of this report.</p>
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5.	Relevant background/chronology of key events:
5.1	150 – 152 Great Charles Street is a 6 storey building, which forms part of a wider 3.7 acre city centre block that comprises approx. 9 adjoining properties. The Council does not own any of the other properties in the wider block.
5.2	Both internally and externally the property is in poor condition.
5.3	The lower ground, ground and first floors of the property are let to the Heart of England NHS Foundation Trust (HEFT) on a long lease for use as a Chest Clinic. The operation of the Chest Clinic is not affected by this report.
5.4	The upper floors of the property remain vacant. They are not capable of re-use or letting without significant expenditure falling to the council.
5.5	As detailed in 4.1.1 the property was reviewed as part of the Council CAB sub-programme which rationalised the Council's back office portfolio. Accordingly the subject property was declared surplus by Cabinet on 20 th May 2013.
5.6	Details of the disposal terms and the preferred purchaser recommended for approval are included in the private report.

6.	Evaluation of alternative option:
6.1	To do nothing would remove the opportunity for a capital receipt.
6.2	Disposal of the upper floors in isolation would be impossible as they do not meet modern office standards required by likely purchasers. Re-use would require significant expenditure.

7.	Reasons for Decision(s):
7.1	To note the intention to dispose of 150-152 Great Charles Street.

Signatures		<u>Date</u>
Chief Officer
Deputy Leader – Cllr Ian Ward
Cabinet Member for Development, Transport and the Economy Councillor Tahir Ali

List of Background Documents used to compile this Report:
1. Officers file save for confidential

List of Appendices accompanying this Report (if any):
1. Appendix 1 – site plan.

Report Version	<u>Version 3</u>	Dated	<u>20 January 2016</u>
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