

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	3297
Author:	Peter Carroll
Department:	Development and Growth
Contact:	Philip Le Couteur (Job Title: Estates Surveyor, Email: phil.lecouteur@nottinghamcity.gov.uk, Phone: 01158762494)
Subject:	Investment Acquisition - Project Fothergill
Key Decision (decision valued at more than £1million):	Yes
Total Value:	Exempt (Type: Capital)
Decision Being Taken:	<ol style="list-style-type: none">1. To approve the use of Prudential Borrowing to provide 100% of the purchase price and associated cost;2. To approve the purchase of the freehold title of the subject property;3. To approve using the existing or appointing new managing agents for the building;4. To approve the use of Prudential Borrowing to provide funding for 100% of the proposed 2020/2021 refurbishment.
Reasons for the Decision(s)	<ol style="list-style-type: none">1. The acquisition shall result in increased income to the Chamber Estate investment portfolio;2. The purchase will contribute towards the requirements of the Council's property investment strategy;3. The property will provide capital and rental growth;4. The property will diversify the investment portfolio in terms of the end users;5. The property is let to a multitude of covenants which in turn diversifies risk.
Other Options Considered:	Not to purchase the property - This option was rejected as proceeding with the acquisition will contribute towards the Council's investment strategy to raise additional income and meet investment targets.
Background Papers:	None

Published Works:	None
Affected Wards:	Bridge
Colleague / Councillor Interests:	None
Any Information Exempt from publication:	Yes
Exempt Information:	
Description of what is exempt:	The value of the decision, property information and tenancy schedule, investment appraisal and financial comments
	An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972
3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).	The public interest in maintaining the exemption outweighs the public interest in disclosing the information because disclosure of negotiations between the seller and the Council relating to the proposed purchase price at this pre-contract stage could adversely affect the Council's position with the seller. Additionally, disclosure of the Council's appraisal of the property could have a similar adverse affect.
Documents exempt from publication:	Investment Appraisal Template - 01.10.18 Final.xlsx, Acquisition - Financial comments 01.10.18.docx, Brochure.pdf, Exempt Information - Project Fothergill.docx
Consultations:	Those not consulted are not directly affected by the decision.
Crime and Disorder Implications:	This acquisition has no crime and disorder implications and will instead assist service by supporting core income.
Equality:	EIA not required. Reasons: An EIA is not required as the decision does not relate to policies, services or functions.
Decision Type:	Leader's Key Decision

Subject to Call In:

No
The call-in procedure does not apply to the proposed decision because the delay likely to be caused by the call in process would seriously prejudice the Council's or the public's interests. The Chair of the Overview and Scrutiny Committee (or Vice-Chair) in his/her absence has been consulted and agreed both that the decision proposed is reasonable in all circumstances and that it should be treated as a matter of urgency.

Person Consulted: Cllr Brian Parbutt
Consultation Date: 16/10/2018
The terms for the purchase states that we are to exchange contracts on this property matter within 15 days of receiving a full legal pack. Completion shall be 5 days after. Due to these terms being agreed we have to exempt it from call in

Advice Sought:

Legal, Finance

Legal Advice:

The proposals set out in the report raise no significant legal issues. The legal due diligence and transactional work associated with this acquisition is being undertaken by external lawyers due to the time constraints associated with this project. Advice provided by Malcolm Townroe (Director of Legal and Governance) on 16/10/2018.

Finance Advice:

This advice is exempt from publication and is contained within an exempt appendix Advice provided by Susan Tytherleigh (Senior Finance Manager) on 08/10/2018.
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Signatures:

Jon Collins (Leader of the Council)
SIGNED and Dated: 26/10/2018
Chris Henning (Corporate Director for Development and Growth)
SIGNED and Dated: 26/10/2018