

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	3837
Author:	Peter Carroll
Department:	Development and Growth
Contact:	Beverley Gouveia (Job Title: Estates Surveyor, Email: beverley.gouveia@nottinghamcity.gov.uk , Phone: 01158762381)
Subject:	Investment Acquisition - Project Shirley
Key Decision (decision valued at more than £1million):	Yes
Total Value:	See Exempt Appendix (Type: Capital)
Decision Being Taken:	<ol style="list-style-type: none">1) To approve the purchase of the freehold interest in the property detailed in the Exempt Appendix.2) To approve the use of Prudential borrowing and capital resources to provide for 100% of the purchase price and associated acquisition costs.3) To approve the carrying out of an independent valuation and building survey as part of the due diligence process.
Reasons for the Decision(s)	The purchase will contribute towards the requirements of the Council's property investment strategy and will result in increased income to the Chamber Estate investment portfolio. The property will diversify the investment portfolio with a purchase outside the City boundary. The property is fully let to a good-quality covenant.
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:	Citywide
Colleague / Councillor Interests:	None
Any Information Exempt from publication:	Yes
Exempt Information:	
Description of what is exempt:	<p>Details of the negotiations around the purchase price at the pre-contract stage and the Council's financial appraisal and advice.</p> <p>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</p>
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 the decision contains information relating to the financial business affairs of the seller and the Council. Disclosure of negotiations around the purchase price at pre-contract stage could adversely affect the Council's position with the seller. In addition, disclosure of the Council's financial appraisal could have similar adverse affects.
Documents exempt from publication:	Exempt Information - Project Shirley 2020.02.13.docx, Project Shirley Brochure1.pdf, Investment Appraisal - Property Shirley 140220.xlsx, Acquisition - Financial comments on the purchase of Project Shirley 270220.docx
Consultations:	Those not consulted are not directly affected by the decision.
Crime and Disorder Implications:	The 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 any changes of policies, services or functions.
Relates to Council Property Assets:	Yes
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: Chair of the Overview and Scrutiny Committee
Consultation Date: 16/03/2020
The reason for this is the matter is almost completed and the various documents (contract to purchase and transfer) need to be sealed by Legal Services in Loxley House. We are conscious that because of COVID-19, staff may have to work from home in the near future, which will mean the documents cannot be signed/sealed and the sale completed. For this reason I would like to try and complete the matter as soon as possible and commence the income flow to the Council.

Advice Sought:

Legal, Finance

Legal Advice:

The legal work in respect of this proposed acquisition will be undertaken by the inhouse legal team, who will carry out all the usual enquiries and checks prior to proceeding to exchange of contracts. In the event that there are any issues which require further investigation or clarification, these will be addressed with the instructing surveyor.
Advice provided by Malcolm Townroe (Director of Legal and Governance) on 10/03/2020.

Finance Advice:

This advice is exempt from publication and is contained within an Exempt Appendix.
Advice provided by Susan Tytherleigh (Senior Finance Manager) on 28/02/2020.

Property Advice:

The purchase will provide income for the investment portfolio. An independent valuation and building survey will be undertaken to protect the Councils position.
Advice provided by Pippa Hall (Portfolio and Investment Manager) on 19/02/2020.

Signatures:

David Mellen (Leader/ PH Regeneration, Safety and Communications)
SIGNED and Dated: 19/03/2020
Chris Henning (Corporate Director for Development and Growth)
SIGNED and Dated: 16/03/2020