

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	4847
Author:	Beverley Gouveia
Department:	Growth and City Development
Contact:	Beverley Gouveia (Job Title: Estates Surveyor, Email: beverley.gouveia@nottinghamcity.gov.uk, Phone: 01158762381)
Subject:	Acceptance of Option Fee - Land at Harrier Business Park, Dorey Way, Hucknall, Nottinghamshire
Total Value:	Exempt (Type: Capital)
Decision Being Taken:	1) To grant approval to accept the option fee agreed between Rolls Royce Plc/Muse Development/Nottinghamshire County Council and Nottingham City Council. 2) To grant approval to Legal Services to complete any required Deed or Letter of Acceptance so that the Council can receive the payment.
Reasons for the Decision(s)	In 2008 Rolls Royce Plc approached the City and County Councils with the aim of promoting the 62 acre Harrier Business Park. The proposal involved using the majority of the site for industrial development and an identified portion for residential development. An option agreement was agreed with Rolls Royce Plc and completed in October 2015. This was approved in Portfolio Holder Decision 693 in May 2010. The option is for a term of is for a term of 20 years. The agreement is a tri-party agreement between Rolls Royce, Nottinghamshire County Council and Nottingham City Council. Rolls Royce/Muse Developments approached the respective Councils to discuss the level of payment required under the option agreement for Plot 9 of the residential development scheme which forms part of the Harrier Park development. The basis for calculating the option fee is contained in the 2015 agreement with the inputs to be agreed by all parties. Agreement on the level of option fee has now been reached and acceptance of this fee is the subject of this approval.
Other Options Considered:	Not to accept the option fee - this option has been rejected as the Council are owed the fee under the 2015 agreement and have reached agreement on an appropriate settlement.
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 option fee agreement.</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 it is commercially sensitive to both Nottingham City Council, Nottinghamshire County Council and a private organisation. Disclosure of this information would prejudice the negotiating position of both Council's.
Documents exempt from publication:	Exempt Appendix - Rolls Royce Land Dorey Way Harrier Business Park Hucknall.doc, Signed PHD Farleys Farm.pdf, 11897-096D-Marketing Masterplan_2000_A1.pdf
Consultations:	Those not consulted are not directly affected by the decision.
Crime and Disorder Implications:	There are no crime and disorder implications associated with this decision.
Equality:	EIA not required. Reasons: An EIA is not required as the decision does not affect Council policy or services.
Relates to Council Property Assets:	Yes

Decision Type: Portfolio Holder

Subject to Call In: Yes

Call In Expiry date: 13/02/2023

Advice Sought: Legal, Finance, Property

Legal Advice:
From the information provided in the report and following discussion with the author of the report, the proposed decision does not appear to raise any substantive legal issues of concern. The Council will be expected to take professional advice in relation to the Option Fee payable, as well as advice from officers within Legal Services on the terms of any legal documentation entered in to, to record the acceptance of the Option Fee. Normal legal due diligence should be carried out as part of the agreement of any formal legal documentation.

Advice provided by Mick Suggett (Team leader: Conveyancing) on 06/01/2023.

Finance Advice:
Any receipt of an option fee would be treated as a capital receipt by the Council as it is linked to the original site. The net capital receipt after any associated fees will be applied as detailed in the approved capital strategy. The site has no associated borrowing and this decision has no revenue implications for the council.

Advice provided by Tom Straw (Senior Accountant - Capital Programmes) on 19/01/2023.

Property Advice:
The decision is supported, the option fee is calculated in accordance with the terms of the option agreement under which the Council is to receive an apportioned sum. The option fee will comprise a capital sum which will contribute to the Council's capital receipts income targets.

Advice provided by Bevis Robert Andrew Mackie (Corporate Property & Investment Manager) on 13/01/2023.

Signatures
David Mellen (Leader/ PH Strategic Regeneration Communications)
SIGNED and Dated: 03/02/2023
Sajeeda Rose (Corporate Director of Growth & City Development)
SIGNED and Dated: 31/01/2023