

Finance Comments

One Public Estate (OPE) Projects

This report seeks agreement to approve spending of £307k capital resources on the feasibility / development of Business Cases for the Public Sector Hub. This involves 3 strands of work:

- Remodelling of Loxley House, increasing the number of desks rented by DWP;
- Potential new build (Crocus Place);
- Review of the Joint Service Centres.

Collectively the above 3 strands are known as the One Public Estate. Further, the report seeks approval for a programme and project management team for these three strands, and a change management resource for the Loxley House project.

Funding

A summary of the funding for the 3 strands is shown below:

£	Funding Source
177,000	OPE Grant
130,050	Capital Receipts identified within project 'Unlocking Loxley'.
307,050	Total

The position of project Unlocking Loxley Phase 2 / 2A (Project Number: 17262) at the 31st March 2017 shows an uncommitted balance of £473k which is wholly funded by Capital Receipts. Following the approval of this paper the uncommitted balance on project 17262 will be reduced by £343k.

Further approvals will be required upon completion of the feasibility if the project is to go ahead. As the projects progress and their costs and income generation potential become clearer, a more detailed financial model will be created.

Tax Advice

If the One Public Estate streams go past the feasibility stage, due to the Council's partial exemption limits, NCC will need to opt to tax any new build (i.e. Crocus Place) and consider opting Loxley House and therefore there will be additional VAT costs for tenants in opted buildings. DWP would be able to claim this VAT back and if the decision is taken to opt to tax Loxley House, Nottingham City Homes and Nottingham Revenues & Benefits Ltd are also able to reclaim any VAT charged. However, there are also possible implications in relation to our future tenants once the decision has been made to opt to tax a property due to our requirement to charge VAT on all future rental income. This could create a problem if the tenant cannot recover their VAT, or if the tenant was for example a charity.

Author

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27th April 2017