

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	2878
Author:	Peter Carroll
Department:	Development and Growth
Contact:	Peter Carroll (Job Title: Head of Portfolio Investment & Development, Email: peter.carroll@nottinghamcity.gov.uk, Phone: 01158763963)
Subject:	Property Investment Acquisition - Sherwood Park
Key Decision (decision valued at more than £1million):	Yes
Total Value:	Exempt (Type: Capital)
Decision Being Taken:	1. To approve the purchase of the freehold interest in an industrial premises.2. To approve the use of Prudential Borrowing to provide for 100% of the purchase price and associated costs
Reasons for the Decision(s)	1. The acquisition will result in increased income to the Chamber Estate investment portfolio2. The purchase will contribute towards the requirements of the Council's property investment strategy3. The property will provide opportunities for capital and rental growth4. The property will diversify the investment portfolio with a purchase outside of the city boundary but within the region5. The property is fully let.
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:	Further details and appraisal of the proposed acquisition including the value of the decision, and financial advice.
	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 the decision contains information relating to the financial business affairs of the proposed seller and the Council. Disclosure of negotiations between 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 similar adverse affects.
Documents exempt from publication:	Sherwood Park, Nottingham - Final.pdf, Exempt Information - Sherwood Park, Nottinghamshire.docx, Acquisition - Financial comments on the purchase of Project Sherwood 230617.docx, Investment Appraisal Template - Sherwood Park 31.03.17.xlsx
Consultations:	Those not consulted are not directly affected by the decision.
Crime and Disorder Implications:	The acquisition of the property has no crime and disorder implications, and will instead assist services by supporting core income.
Equality:	EIA not required. Reasons: EIA not required. Reasons: 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: Councillor Brian Parbutt

Consultation Date: 15/06/2017

The call in period would seriously prejudice the Council's ability to meet timescales proposed by the vendor. This could result in the loss of the investment and result in abortive costs.

Advice Sought:

Legal, Finance

Legal Advice:

The Council will be acquiring the remainder of a 999 year lease with an option to acquire the head lease for nominal consideration. The in-house legal team will undertake the legal work in connection with the proposed acquisition and will take all steps as are deemed necessary to protect the Council's position.

The in-house legal team will provide a report on title to the Property team advising on all elements of the legal documentation provided to the Council by the seller of the property including the contract, transfer, replies to commercial property standard enquiries, search results and the terms and conditions of the superior lease, the lease and the occupational lease.

The proposal of itself does not pose any major legal issues. However it is important to be certain on an acquisition of this magnitude that all due diligence is carried out and any necessary enquiries raised and satisfactorily answered including any issues arising out of the building survey undertaken on behalf of the Council.

Finance Advice:

This advice is exempt from publication and is contained within an exempt appendix Advice provided by Mandy Bryce (Finance Analyst) on 23/06/2017.

Signatures:

Jon Collins (Leader of the Council)

SIGNED and Dated: 18/07/2017

David Bishop (Deputy CE, CD for Development and Growth)

SIGNED and Dated: 10/07/2017