

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	3029
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Department:	Development and Growth
Contact:	Beverley Gouveia (Job Title: Estates Surveyor, Email: beverley.gouveia@nottinghamcity.gov.uk , Phone: 01158762381)
Subject:	Investment Acquisition - Project Mulberry
Key Decision (decision valued at more than £1million):	Yes
Key Decision (decision affects 2 or more wards):	Yes
Total Value:	Exempt (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 to provide for 100% of the purchase price and associated costs.3. To approve using the existing or appointing new managing agents for the common parts of the site.
Reasons for the Decision(s)	<ol style="list-style-type: none">1. The acquisition will 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 with a purchase outside the city boundary.5. The property is fully let to good quality covenants.
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>Value of the decision</p> <p>Property information and tenancy schedule</p> <p>Investment appraisal</p> <p>Financial comments</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).	<p>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 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 similar adverse affects.</p>
Documents exempt from publication:	<p>Project Mulberry Tenancy Schedule 15 11 2017.pdf, Project Mulberry Brochure part 1.pdf, Project Mulberry Brochure part 2.pdf, Investment Appraisal Template - Project Mulberry 09.11.17 SC.xlsx, Exempt Information - Project Mulberry - v2.docx, Acquisition - Financial comments on the purchase of Project Melburry 301117.docx</p>
Consultations:	<p>Those not consulted are not directly affected by the decision.</p>
Crime and Disorder Implications:	<p>The acquisition has no crime and disorder implications and will instead assist services by supporting core income.</p>

Equality: 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: 15/11/2017
The decision concerning the acquisition of Project Mulberry needs to be exempted from call in due to the timescales agreed with the vendor for a simultaneous exchange and completion 20 days after agreement of the Heads of Terms. This timescale is standard for all investment acquisitions and has been adhered to on all previous investment transactions undertaken by the Council. Failure to meet with the 20 day time limit may result in the loss of the acquisition which will impact on income generation for this financial year

Advice Sought: Legal, Finance

Legal Advice: The legal advice and legal due diligence in connection with this transaction has been undertaken by external lawyers on behalf of the Council. Before the transaction proceeds further the report author will need to satisfy the decision maker that the advice provided has been properly and fully considered and that there are no overriding reasons why this transaction should not be approved. The internal Legal Team will be available to provide assistance on interpreting the external legal advice if needed. Advice provided by Malcolm Townroe (Director of Legal and Governance) on 10/12/2017.

Finance Advice: Finance comments in Exempt information. Advice provided by Mandy Bryce (Finance Analyst) on 30/11/2017.

Signatures:
Jon Collins (Leader of the Council)
SIGNED and Dated: 15/12/2017
David Bishop (Deputy CE, CD for Development and Growth)
SIGNED and Dated: 15/12/2017