

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	3249
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Department:	Development and Growth
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Subject: Investment Acquisition - Project Aston

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:

1. Approve the surrender of part of the existing 99 year leasehold interest;
2. Approve assignment of the remainder of the site & approve an option to grant a further lease of 80 years (total 125 years) from expiry;
3. Approve the grant of a new 50-year lease on the site-hatched green on the attached plan on the terms set out in the exempt appendix;
4. Approve the use of Prudential Borrowing to provide for 100% of the purchase price and associated costs.
5. To approve the Council paying the consideration detailed in the exempt appendix for the new leasing arrangement of the property detailed.

Reasons for the Decision(s)

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 in terms of end use;
5. 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: Value

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 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.

Documents exempt from publication: Acquisition - Financial comments on the purchase of Project Aston 17.07.18.docx, Aston Final Appraisal 280618.xlsx, Exempt Information - Project Aston.docx, Thane Road Plan.pdf

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 policies, services or functions.

Decision Type:

Leader's Key Decision

Subject to Call In:

Yes

Call In Expiry date:

10/09/2018

Advice Sought:

Legal, Finance

Legal Advice:

The proposals set out in this decision will be subject to a full legal appraisal and documentation review prior to the Council entering into any legally binding commitment. In all other respects the decision raises no significant legal issues and is supported. Advice provided by Malcolm Townroe (Director of Legal and Governance) on 17/08/2018.

Finance Advice:

Comments are included in the exempt appendix Advice provided by Susan Tytherleigh (Senior Finance Manager) on 23/07/2018.

Signatures:

Graham Chapman (PH for Finance, Resources and Commercial Services)
SIGNED and Dated: 03/09/2018
David Bishop (Deputy CE, SD of Development)
SIGNED and Dated: 24/08/2018