

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	3405
Author:	Peter Carroll
Department:	Development and Growth
Contact:	Beverley Gouveia (Job Title: Estates Surveyor, Email: beverley.gouveia@nottinghamcity.gov.uk, Phone: 01158762381)
Subject:	Investment Acquisition - Project Green
Key Decision (decision valued at more than £1million):	Yes
Total Value:	Exempt (Type: Capital)
Decision Being Taken:	1. To purchase the freehold interest of the property detailed in the exempt appendix; 2. To approve the use of capital and 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)	1. The acquisition shall 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 the end users; 5. The property is let to a multitude of covenants which in turn diversifies risk.
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:	Clifton South
Colleague / Councillor Interests:	Councillor Jon Collins declared an interest.
Any Information Exempt from publication:	Yes
Exempt Information:	
Description of what is exempt:	The value of the decision, property information and tenancy schedule, investment appraisal and financial comments.
	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 a similar adverse affect.
Documents exempt from publication:	Exempt Information - Project Green.docx, Investment Appraisal Template - Project Green 100119 Capital.xlsx, Brochure Jan18.pdf, Acquisition - Financial comments on the purchase of Project Green 090119.docx
Consultations:	Those not consulted are not directly affected by the decision.
Crime and Disorder Implications:	This 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:	22/02/2019
Advice Sought:	Legal, Finance
Legal Advice:	The legal work associated with the proposed acquisition is being undertaken by the inhouse legal team who will ensure that all necessary legal due diligence is carried out as part and parcel of the transactional process. Alongside the actual acquisition transactional element, advice is also being provided around the constructional components of the development given the new build nature of the site. A considerable amount of legal due diligence has already been undertaken and this has raised no issues of significant legal concerns. Advice provided by Malcolm Townroe (Director of Legal and Governance) on 07/02/2019.
Finance Advice:	This advice is exempt from publication and is contained within an exempt appendix Advice provided by Susan Tytherleigh (Senior Finance Manager) on 14/01/2019.
Signatures:	Graham Chapman (PH for Finance, Resources and Commercial Services)
	SIGNED and Dated: 15/02/2019
	Chris Henning (Corporate Director for Development and Growth)
	SIGNED and Dated: 11/02/2019