

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	3564
Author:	Peter Carroll
Department:	Development and Growth
Contact:	Beverley Gouveia (Job Title: Estates Surveyor, Email: beverley.gouveia@nottinghamcity.gov.uk , Phone: 01158762381)
Subject:	Property Investment Disposal
Key Decision (decision valued at more than £1million):	Yes
Total Value:	Exempt (Type: Capital and Revenue)
Decision Being Taken:	To dispose of a multi-occupied investment property acquired in 2016.
Reasons for the Decision(s)	An offer for the property in excess of the acquisition cost and Market Value has been received. The disposal forms part of the proactive management strategy of the Council's investment portfolio.
Other Options Considered:	Not to sell the property - the offer received is in excess of the 2016 acquisition cost and the current Market Value assessment, so the Council will benefit from a capital receipt. For this reason, this option was rejected.
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:

The Heads of Terms detailing the offer and conditions of sale, and the financial appraisal of the offer.

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 this is an offer to acquire a property and disclosure of the offer could result in the sale falling through and a loss of a capital receipt to the Council.

Documents exempt from publication:

Exempt Information - Investment Property Disposal 07.06.2019.docx, HOT's - Property Investment Disposal 10.06.19.pdf

Consultations:

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

There are no crime and disorder implications associated with the decision.

Equality:

EIA not required. Reasons: The decision does not impact on policy, 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: Chair of the Overview and Scrutiny Committee

Consultation Date: 24/06/2019

An ambitious but market facing timescale for disposal has been agreed with the purchaser and we would like to meet this timescale to secure the capital receipt. The sale is on target to complete by 28 June if we are able to gain exemption from call in. A significant delay to the completion of this transaction may result in the purchaser pulling out of the deal which would have significant financial consequences for the Council. Not only would the capital receipt be at risk but as part of this sale we have put the letting of a large vacant part of the property on hold which has led to the prospective tenant seeking alternative accommodation.

Advice Sought:

Legal, Finance

Legal Advice:

The proposals set out in the report raise no significant legal issues and are supported. The legal team will assist with the disposal and provide advice and assistance as and when required.

Advice provided by Malcolm Townroe (Director of Legal and Governance) on 20/06/2019.

Finance Advice:

Property trading account will lose annual rent from this property sale, but the capital receipt will be used to clear any debt outstanding and the remaining capital fund can be reinvested within the Property trading account to generate more income.

Advice provided by Mandy Bryce (Finance Analyst) on 20/06/2019.

Signatures:

David Mellen (Leader/ PH Regeneration, Safety and Communications)

SIGNED and Dated: 26/06/2019

Chris Henning (Corporate Director for Development and Growth)

SIGNED and Dated: 25/06/2019