

OFFICER DELEGATED DECISIONS FORM

State the Delegated Authority that you are relying on in order to make this decision: e.g. specific (identified in constitution) or general

In line with the Executive approval granted on 9th November 2021, work has been undertaken on the necessary due diligence required to ensure that the acquisition of a strategic town centre asset represents value for money (at the agreed purchase price) and that the condition and medium term remedial works, are within the appropriate scope and budget envelope. Work has also progressed to secured the post-completion asset management and operational logistics, to ensure that a transition of ownership is as seamless as possible.

Executive Recommendations

- i. In principle, the freehold acquisition, and associated works, of the identified property within the town centre to a maximum value of £15m;
- ii. **to delegate the completion of the acquisitions on the identified property to the Director of Regeneration and Culture, and the Director of Finance, in consultation with the Executive Member of Regeneration and the Mayor, within the parameters of the report; and,**
- iii. that subject to satisfaction of Point ii, approval for the interim appointment, via the relevant procurement process, of managing agent Praxis, for the acquisition of the property.

Subject of decision: e.g. freehold disposal of land (16K-149K), contract extension, new policy

Strategic town centre property acquisition – commercial asset.

Text of decision: e.g. can include monies received by the Council, list any terms agreed, brief summary of the policy – Do not include any confidential information.

Following lengthy due diligence, and assessments, the proposal is to proceed with point ii) and iii) of the Executive report – and acquire the asset.

Reason for decision: e.g. benefits, new legislation requires a policy, review of opening hours, non- key decision, outside of agreed budget framework

Whilst the asset would be acquired, in the first instance, as a 'going concern' the business case anticipates a declining retail rent roll over the medium term. As space is repurposed and alternative uses are secured, it is planned that rental income will stabilise and grow. In addressing the chronic oversupply in retail floorspace, it may be necessary to restrict the supply of floorspace further by considering options for partial demolition of the asset to unlock new development opportunities, improved permeability and an opportunity to create open urban spaces to enhance the appeal of the town environment. The property could be reconfigured and developed, over time, to support the requirement to address market failure by rebalancing the current oversupply of retail floor space and diversifying uses across the town centre area to provide a healthier and more sustainable mix of urban living opportunities, leisure sectors and public services.

In principle, whilst this remains the intention, due diligence has resulted in a more detailed analysis of where the Council may/may not wish to undertake future works, and proposals are in place for future studies to fully understand the cost and benefit analysis of such.

N.B Commercially sensitive information not in the public domain – in appendices

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Other options considered (if any)
n/a
Has an Impact Assessment been completed Yes/No – if yes please attach to the decision.
n/a
Declarations of Interest by any member or relevant local government body
n/a
Who have you consulted as part of the decision making process e.g. Head of Service, Executive Member, Community Association, Surveyor?
<p>Commercial Agents appointed to manage the process of negotiation, due diligence and acquisition of asset</p> <p>Head of Service for Capital Projects/Head of Service Economic Growth</p> <p>RICS Chartered Surveyor</p> <p>Building Surveyor(s)</p> <p>Executive Member of Finance and Regeneration</p> <p>External Legal Resource</p>
Date of decision
4 th January 2022
Service area
Regeneration/ Finance
Name of Delegated Officer making decision - i.e. Officer who is designated the power in the Constitution
<p>Richard Horniman</p> <p>Ian Wright</p>
Name of the Officer making the decision – if power has been sub-delegated to another Officer.

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List of background papers (do not list if contain exempt/confidential information)

Exempt

Signed:



Signed:



Dated: 4th January 2022