



**DECISION TAKEN BY OFFICER UNDER PARAGRAPH 13(4) OF THE LOCAL AUTHORITIES (EXECUTIVE ARRANGEMENTS) (MEETINGS AND ACCESS TO INFORMATION) (ENGLAND) REGULATIONS 2012**

<b>Name of Officer</b>	Sarah Longthorpe
<b>Position of Officer</b>	Director of Regeneration
<b>Service Area</b>	Regeneration

<b>Title of Decision</b>	Approval of Acquisition
<b>Date of Decision</b>	8 <sup>th</sup> July 2024

<b>Appendix</b>	<b>1. EXEMPT/CONFIDENTIAL</b>
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**Exempt or Confidential Information**

It is considered that information contained within *this report* contains exempt information under the meaning of *paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information))* of Schedule 12A of the Local Government Act 1972, as amended, and therefore cannot be made public.

**Glossary of terms**

<b>Term</b>	<b>Definition</b>
BDBC	Basingstoke and Deane Borough Council

**Background to decision:**

The strategic and investment opportunity to purchase the long leasehold interest of a Leisure unit on the Leisure Park. The council own the freehold and this acquisition would provide a high yielding investment income and consolidate the council's interest on a site to enable potential options in the medium term to optimise regeneration of the Leisure Park.

The decision is subject to the matters set out in the Senior Leadership Teams report dated 14<sup>th</sup> Feb 2024 and Portfolio Holder of Property and Finance Decision.

BDBC has concluded the negotiation of Heads of Terms and progressed the required legal documentation including carrying out further due diligence. BDBC have been advised by Chartered Surveyors Jones Lang La Salle and have also instructed for an independent section 123 valuation to be carried out by the council valuers Montague Evans. A building survey has also been carried out by Building Surveys Spring Consulting. External solicitor's Davitt Jones Bould have been instructed to prepare the documentation and a separate report prepared confirming that the transaction is in accordance with the SLT paper.

Whilst not having an effect on the valuation or income generated, due diligence identified a discrepancy in floor area from that previously reported to SLT and it was decided to proceed with the purchase after consultation with the Portfolio Holder on the 24<sup>th</sup> May 2024.

The Head of Terms have been reviewed by officers from the Councils Property and Legal services teams. A copy of the Heads of terms is attached in the exempt/confidential Appendix 1.

The Director of Regeneration has consulted SLT and the Portfolio Holder of Finance and Property in the decision to approve this transaction.

**Authority to make the decision:**

Portfolio Holders Decision dated 7 March 2023 delegated authority to the Director of Regeneration to agree Heads of Terms.

Legals services has confirmed the Director of Regeneration has delegated authority to sign off the Heads of Terms and conclude the acquisition under the Property Investment portfolio.

**Reason for Decision:**

To conclude the purchase of a key strategic and investment asset on the Leisure Park.

**Report/Information considered:**

The council has sought external advice on the transaction from Jones Lang LaSalle and external reports including;

Montague Evans who have undertaken a Section 123 Valuation report. This confirms the acquisition price represents value for money in accordance with Section 123 of the LGA Act 1972.

Spring Consulting - Building Survey

Legal report- Davitt Jones Bould

Internal information considered: Working Files

<b>Legal</b>	The approval of the Heads of Terms will enable Property Services to instruct solicitors to prepare the legal contracts and to progress the proposed transaction.
<b>Finance</b>	Finance is available via the Property Investment Strategy from allocated funds.  An assessment of covenant strength of the operational tenant has been undertaken as part of the due diligence.
<b>Property and regeneration</b>	The acquisition will generate a significant revenue stream and facilitate the longer term regeneration of the Leisure Park. The purchase will enable the council to extinguish existing rights of the long leaseholder to enable development.
<b>Risk Management</b>	The biggest risk to this transaction is the covenant strength of the tenant, this will be monitored regularly and plans for alternative occupiers developed as a contingency measure.
<b>Equality, Diversity and Inclusion</b>	This report will have no direct impact on Equality, Diversity and Inclusion related matters.
<b>Consultation and communication</b>	This report will have no direct impact on Consultation and Communications related matters.
<b>Climate Change, ecological and biodiversity</b>	This report will have no direct impact on Climate Change, ecology and biodiversity related matters as it is an existing building.
<b>HR</b>	This report will have no direct impact on HR related matters.

**Alternative options considered and rejected:**

Not to proceed with purchase- it would limit future options or make it challenging to deliver comprehensive regeneration schemes.

**Decision:**

Approve decision to complete purchase.

**Record of any conflict of interest declared by any cabinet member who was consulted by the decision maker:**

None.

<b>Signed:</b>	
<b>Name:</b>	Sarah Longthorpe
<b>Job title:</b>	Director of Regeneration
<b>Dated:</b>	08/07/2024

**Appendix 1 – Heads of Terms – CONFIDENTIAL EXEMPT**