

Report of: Head of Land & Property

Report to: Director of City Development

Date: 09th March 2018

Subject: Agents Fees in Relation to Investment Portfolio Purchase. Waiver of Contract Procedure Rules – Orders over £10k.

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s):	City & Hunslet	
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:	10.4(3)	
Appendix number:	1	

1. Purpose of the report

- 1.1 The purpose of this report is to seek approval to waive Contract Procedure Rules for orders over £10k, for the payment of agent's fees to include valuation and building condition advice in relation to the purchase of an investment property to enhance the council's investment portfolio.

2. Summary of main issues and background information

- 2.1 The Head of Land & Property is seeking authority, as part of the work relating to the enhancement of the Council's investment portfolio to support wider budget proposals, to authorise the use of funds from an approved budget to pay agents fees in relation to the purchase of an investment property. This includes valuation and building condition advice. The fees cannot be tendered as the agent concerned introduced the investment opportunity on an off market exclusive basis and therefore is effectively the only supplier which can carry out the service required.

The cost of the order amounts is detailed in the confidential appendix but is greater than £10,000 and therefore requires the Director of City Development to waive Contract Procedure Rules relating to competition, for orders in excess of the amount of £10k.

3. Consultation and Engagement

- 3.1 The Executive Member for Regeneration, Transport and Planning has been briefed on the property acquisition and is supportive.

4. Resources and value for money

- 4.1 The costs associated with the purchase of this particular investment property will be contained within the current budget which has been set aside specifically for its purchase. The cost code for this budget is 32554HIT0007621. This is not a piece of work that can be tendered for as the opportunity was brought to the council as an off-market exclusive deal with the agent concerned.

5. Access to Information

The information contained in the Appendix to this report relates to the financial or business affairs of a particular person, and of the Council. This information is not publicly available from the statutory registers of information kept in relation to certain companies and charities. It is considered that since this information was obtained through one to one negotiations for the purchase of the land/property referred to then it is not in the public interest to disclose this information at this point in time. Also the release of such information would or would be likely to prejudice the Council's commercial interests in relation to and undermine its attempts to acquire by agreement similar properties in the locality in that owners of other similar properties would be aware about the nature and level of consideration which may prove acceptable to the Council. It is considered that whilst there may be a public interest in disclosure, much of this information will be available from the Land Registry following completion of the purchase and consequently the public interest in maintaining the exemption outweighs the public interest in disclosing this information at this point in time. It is therefore considered that this element of the report should be treated as exempt under rule 10.4.(3) of the Access to Information Procedure Rules.

6. Recommendation

- 6.1 The Director of City Development is requested to give approval to waive Contract Procedure Rules relating to orders over £10k in relation to the purchase of an investment property to support wider budget proposals.