

Resources Policy Development & Scrutiny Panel minutes

Supplementary information – Commercial Estate

Set out below is some supplementary information to complete the answers to three questions raised at the recent Resources PDS panel on 17th May 2017. All the other questions raised by the panel were fully answered at the time and the detail is set out in the minutes.

- *The section in the PDS report referring to stamp duty used last year's information and, whilst it is true these figures were typical, the new rate is 5% as was discussed at the meeting. The figures used in business cases to support (single member) acquisition decisions have used the correct prevailing rate.*
- *With regards to the apparent casting error in the example evaluation table, this was unfortunately due to the use of a real example where one row of obsolete data had been removed. Unfortunately the editing of that data subsequently resulted in what appeared to be mathematical errors; although I would stress this table was presented for indicative purposes only, as stated within the report and was intended to illustrate the criteria adopted in examining potential acquisitions. The original version of this matrix works correctly and acts as a useful tool in assessing the alignment of any prospective purchase with the Council's investment requirements.*

The other matter raised concerned a break clause relating to premises that had recently been acquired by the Council. This investment opportunity was independently reviewed by our external property advisers and, at the request of the portfolio holder, also reviewed by our "critical friend" BNP Paribas. All relevant risks were taken into account as was the potential for sustained good quality returns and this gave rise to the conclusion that the property represented a sound investment which also helped diversify the commercial estate property portfolio.