

Agenda Item 5

From CABINET held on 17 June 2019

Council Agenda Item 5 (Minute No 61)

Significant Property Acquisition

The Cabinet approved

- (1) Subject to the approval of the City Council of the recommendations (3) below, that delegated authority be given to the Director of Regeneration and the Director of Finance & Section 151 Officer, taking advice from the City Solicitor, and in consultation with the Leader of the City Council to approve the completion of the acquisition of Lakeside North Harbour.
- (2) That a cross-party board be established as the governing entity to oversee the overall strategic management of the asset.

The Cabinet RECOMMENDS to Council:

- (3)
 - (a) That the acquisition of Lakeside North Harbour Business Park be added to the Council's Capital Programme and financed by borrowing, subject to:
 - i) The satisfactory completion of the outstanding due diligence
 - ii) A financial appraisal (based on the completed due diligence) being approved by the Director of Finance & Section 151 Officer which demonstrates that the total financial impact and financial risks are affordable and manageable by the Council over the longer term.
 - (b) That the following Treasury Management Limits be approved:
 - i) That the authorised limit for external borrowing be increased to £807m
 - ii) That the operational boundary be increased to £777m
- (4) That the Council notes that the following urgent decisions have been taken by the Chief Executive in accordance with Standing Order 58 of the Council's Procedure Rules in order that advance treasury management preparations could be made for the transaction should the Council approve the acquisition:
 - i) That the investment counter party limit for Barclays Bank Plc has been temporarily increased to £100m
 - ii) That the sector limit for investments in money market funds has been temporarily increased to £104m.

- (5) Note that in approving the temporary changes to the treasury management limits, no obligation to acquire the property has been entered into and no long term financial liabilities have been incurred. The changes simply enable the Council to accumulate the necessary funding in a risk managed and cost efficient manner and have funds available should the transaction be approved, the risks are considered negligible.