


Nottinghamshire Police and Crime Commissioner – Notice of Decision

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DECISION OR INFORMATION:	Decision
DATE RECEIVED:*	15.07.21
REF:* (to be inserted by the OPCC)	2021.074

TITLE:	Agreement for the purchase of Chilwell Depot, Brailsford Way, Chilwell Meadows Business Park, Beeston, Nottingham.
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EXECUTIVE SUMMARY:
<p>Following the agreement to exit the Vehicles PFI contract discussions have been on-going in respect of the purchase of the freehold of the Chilwell site, in line with the overall approved business case.</p> <p>A purchase price of £1.2m has been indicated that this would be acceptable by the owners and it is recommended that the Commissioner agrees the purchase at this value.</p>

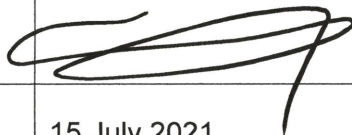
INFORMATION IN SUPPORT OF DECISION: (eg report or business case)
The business case for the Exit of the Vehicle PFI contract provided for the option to purchase the depot, and the financial information below shows that this represents a positive financial position.

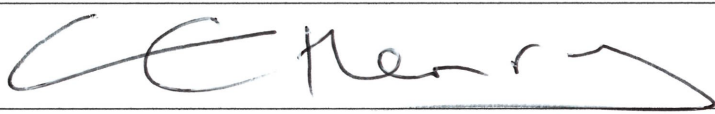
FINANCIAL INFORMATION	
<p>Currently the Chilwell depot is leased to the Force at a cost of £75k p.a. (this will be subject to an upwards rent review in November 2022).</p> <p>Our independent valuation of the site is in the range £1.15m to £1.25m, the owners initially valued the site in the range £1.3m to £1.4m. Following negotiations, a purchase price of £1.2m has been indicated as acceptable to all parties. The sale will be subject to appropriate taxes payable by the Force.</p> <p>Financing of the purchase is likely to require additional borrowing and an amendment to the capital programme for these amounts. Assuming an additional loan for this amount are taken then associated interest and MRP charges are expected to be in the order of £55k p.a. representing a revenue budget reduction of £20k p.a. as a result of this decision, it also allows for further investment in the building subject to a future positive business case.</p> <p>The transfer of the property has the potential to transfer ownership risks to the Force, but as the current lease requires the Force to maintain the property these are considered minimal.</p>	
Signature: Chief Finance Officer	
Date:	15 th July 2021

** See guidance on non-public information

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Is any of the supporting information classified as non-public or confidential information?**	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If yes, please state under which category from the guidance**	Commercially sensitive.			
DECISION:				
To agree the purchase of the Chilwell Depot for £1.2m and amend capital programme as appropriate.				

LEGAL SERVICES OPINION:	
To maintain an efficient and effective police force, the Force needs to be able to maintain and service its vehicles. It has exited the PFI arrangement and brought that function in-house. The Force needs an appropriate site to provide that function. Presently, to achieve that aim the Force leases the Chilwell depot.	
The Force has the option of continuing to lease the Chilwell depot or it could purchase the depot or seek an alternative solution. The negotiated price falls within the independent valuation of the site and were the Commissioner to be in agreement with the Force that the option of purchase Chilwell depot is to be welcomed then such expenditure would be a permissible use of funds by the Commissioner.	
Signature:	
Date:	15 July 2021

DECLARATION:	
I confirm that I do not have any disclosable pecuniary interests in this decision and I take the decision in compliance with the Code of Conduct for the Nottinghamshire Office of the Police and Crime Commissioner. Any interests are indicated below:	
The above request has my approval.	
Signature: Nottinghamshire Police & Crime Commissioner	
Date:	23.07.21