

Executive

Graven Hill Acquisition Update

1 July 2013

Report of Head of Regeneration and Housing

PURPOSE OF REPORT

To recommend next steps towards the acquisition of Graven Hill Executive and to provide an update on the progress being made with the acquisition of Graven Hill.

This report is public

Recommendations

The Executive is recommended to:

- (1) Propose to Council to add the acquisition and redevelopment of Graven Hill and prudential borrowing into the Policy Framework and make available the capital sums required as part of the budget.

Executive Summary

Introduction

- 1.1 The 3 June report to the Executive provided an update to members on progress in the steps being made to acquire Graven Hill, subject to Council approval.
- 1.2 Due diligence is underway and both parties (CDC and MOD) are working towards the date of 31 August 2013 to complete due diligence.
- 1.3 Trowers have been appointed as the legal firm to undertake this work alongside EC Harris who are undertaking technical due diligence and supporting CDC officers with financial due diligence.

Proposals

- 1.4 For the Council Executive to propose to Council to add the acquisition and redevelopment of Graven Hill and prudential borrowing into the Policy Framework and make available the capital sums required as part of the budget.

Conclusion

- 1.5 Due diligence work is underway and a further report will come to members

once this is completed. This report ensures the correct procedures are followed under the Council's constitution.

Background Information

- 2.1 Council Officers across a number of teams are working collaboratively alongside Regeneration and Housing Services to ensure a prudent approach with each step that is taken towards the potential acquisition of Graven Hill. This includes:
- Finance and Procurement Services supporting Regeneration and Housing with the financial modelling for acquisition and development and the necessary assessment of the risks and opportunities of prudential borrowing through the Public Works Loans Board and how this could work alongside the use of existing council capital
 - Legal Services supporting Regeneration and Housing with the appointment of Trowers as an external firm to undertake legal due diligence. Trowers bring extensive experience in dealing with the due diligence and the acquisition of strategic sites.
 - Planning Policy and Economic Development supporting Regeneration and Housing in early work on a strategy for the commercial elements of the site
 - Communications supporting Regeneration and Housing with the large media and public interest that this work has triggered at a local and national level.
 - Democratic Services supporting Regeneration and Housing with ensuring the correct policy procedures are followed and governance issues associated with a key decision.
- 2.2 Two Member Workshops have been delivered with a third workshop planned to explain:
- The implications of the council returning to a position of borrowing
 - The proposals for the delivery of Graven Hill and the proposed financial model for acquisition and delivery
- 2.3 Officers within Regeneration and Housing are continuing with their work on a delivery plan to optimise the Council's chances of securing inward investment for the site from the public and private sector.

Key Issues for Consideration/Reasons for Decision and Options

- 3.1 The recommendation in this report ensures the Council is following correct procedures in making key decisions.

The following options have been identified. The approach in the recommendations is believed to be the best way forward

Option One To approve the recommendation in this report

Option Two To reject the recommendation in this report

Implications

Financial: Extensive work is being undertaken to optimise the financial model for acquisition and delivery and to undertake financial due diligence.

Comments checked by Karen Curtin, Head of Finance and Procurement 01295 221551

Legal: It is necessary for the proposed acquisition of Graven Hill and the potential use of the Council's prudential borrowing powers to be added to the policy framework in order for the Executive to be empowered to make future decisions.

Comments checked by Kevin Lane, Head of Law and Governance 01295 221661

Risk Management: The completion of the due diligence processes will be crucial in mitigating the risk, and the appointment of external advisors to work alongside Council Officers is proving invaluable in the due diligence process which in turn reduces the financial and legal risks in the steps being made towards acquisition and development

Comments checked by Calvin Bell, Development Director

Wards Affected

All

Corporate Plan Themes

District of Opportunity

Lead Member

Councillor Debbie Pickford
Lead Member for Housing

Document Information

Appendix No	Title
NA	NA
Background Papers	
None	
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