

SHEFFIELD CITY COUNCIL

EXECUTIVE FUNCTIONS DECISION RECORD

The following decisions were taken on Wednesday 21 August 2013 by the Cabinet.

Date notified to all members:

The end of the call-in period is 4:00 pm on

The decision can be implemented from

Item No

8. REVENUE BUDGET MONITORING 2013/14 (MONTH 3) AS AT 30/6/13

8.1 The Executive Director, Resources submitted a report providing the month 3 monitoring statement on the City Council's Revenue Budget for 2013/14.

8.2 **RESOLVED:** That Cabinet:-

- (a) notes the updated information and management actions provided by the report on the 2013/14 budget position;
- (b) approves the recommendation in paragraph 5 of the report which stated that any additional grants received which were not in the approved 2013/14 budget, are to be held corporately until such point that EMT agrees otherwise; and
- (c) delegates authority to the Cabinet Member for Finance and Resources approval of the slippage in order to expedite the re-profiling of the Capital Programme.

8.3 Reasons for Decision

8.3.1 To formally record changes to the Revenue Budget and Capital Programme and gain Member approval for changes in line with Financial Regulations and to reset the Capital Programme in line with the latest information.

8.4 Alternatives Considered and Rejected

8.4.1 A number of alternative courses of action were considered as part of the process undertaken by Officers before decisions were recommended to Members. The recommendations made to Members represented what Officers believed to be the best options available to the Council, in line with Council priorities, given the constraints on funding and the use to which funding is put within the Revenue Budget and Capital Programme.

8.5 Any Interest Declared or Dispensation Granted

None

8.6 Reason for Exemption if Public/Press Excluded During Consideration

None

8.7 Respective Director Responsible for Implementation

Laraine Manley, Executive Director, Resources

8.8 Relevant Scrutiny and Policy Development Committee If Decision Called In

Overview and Scrutiny

9. 3 ST. PAUL'S PLACE

9.1 The Executive Director, Place submitted a report seeking authority to enter into an agreement with the developers CTP Limited whereby the Council would agree to purchase new offices to be built at 3 St. Paul's Place, one year after practical completion unless CTP elected to retain the property or to sell it to another party at a higher price.

9.2 RESOLVED: That Cabinet:-

- (a) approves the proposals to enter into the agreement to acquire 3 St. Paul's Place on the terms set out in the report and the report in Part 2 of the Cabinet agenda;
- (b) delegates authority to the Executive Director, Place in consultation with the Executive Director, Resources; the Director of Capital and Major Projects and the Director of Legal and Governance to agree the terms of the transaction including the terms of any other documentation;
- (c) authorises the Director of Legal and Governance be authorised to complete such legal documentation as she considers necessary or appropriate in connection with this transaction on such terms as she may agree to give effect to the proposals set out in the report and generally to protect the Council's interests;
- (d) approves the funding of any abortive costs that the Council incurs should the agreement not be entered into, from the Place Portfolio Revenue Budget; and
- (e) the potential for CTP to exercise the put option for the Council to purchase the property be included within the Council's Medium Term Financial Strategy, funded by the use of the retained Business Rates generated by the building. The costs and income were

factored into the MTFs report due at Cabinet on 18th September 2013.

8.3 Reasons for Decision

- 8.3.1 Officers considered that bringing forward the development of 3 St. Paul's Place in order to address the shortage of Grade A office space in the Central Business District was a priority action both in terms of the Council's Economic Strategy and the regeneration of the City Centre.
- 8.3.2 Because the property is within the boundary of the New Development Deal, then 100% of any Business Rates generated from this property can be retained by the Council. In the event that the Council does purchase the property then any Business Rates generated can be used to mitigate the cost of financing and servicing the building.
- 8.3.3 The proposed terms of the agreement with CTP seek to reduce risk and protect the Council and have the potential to deliver significant financial benefits to the Council from retained Business Rates.

8.4 Alternatives Considered and Rejected

- 8.4.1 The provision of new Grade A office space in the City Centre was a key action identified in several current studies and strategies in order to drive an improvement of the economy of the City and wider City region. The Council could simply do nothing and wait to see whether market forces will deliver this in isolation. It was considered that in the current economic climate this may not happen for several years. If the development did not take place for some time then the financial benefits referred to in section 5 of the report will not arise.
- 8.4.2 Officers have considered other initiatives to seek to facilitate the development such as the Council taking a lease of parts of the building or providing development finance instead of the private sector funding proposed but having considered those options it was believed that the proposed agreement was the most appropriate in terms of seeking to reduce potential risk and total cost for the Council and deferring the time when it may be necessary to borrow in order to complete the purchase. It was also hoped that there was a reasonable prospect that through the route proposed the Council may not actually need to purchase the property in which case the costs will not be incurred.

9.5 Any Interest Declared or Dispensation Granted

None

9.6 Reason for Exemption if Public/Press Excluded During Consideration

None

9.7 **Respective Director Responsible for Implementation**

Simon Green, Executive Director, Place

9.8 **Relevant Scrutiny and Policy Development Committee If Decision Called In**

Economic and Environmental Wellbeing