

## **Appointment of Joint Venture Property Partner – Addendum**

This Addendum has been prepared to clarify the following for members:

- The County Council cannot itself invest directly in the Joint Venture Limited Liability Partnership (“JV LLP”), as the purpose of the JV LLP is commercial. It is, however, within the County Council’s powers to set up Herts Living Limited (“HLL”) and within HLL’s powers to participate in the JV LLP.
- Interest on any loan to HLL or loan note from HLL being charged by the County Council must be on commercial terms, and in the case of any land disposal to HLL this will ensure that the County Council is no worse off than if it had received the whole receipt when the land was transferred.
- The initial sites option agreement must contain a provision that disposals will comply with section 123 LGA 1972 (best consideration reasonably obtainable). Market value is currently defined as the land value arising from a market valuation undertaken in accordance with the principles of the prevailing edition of the RICS Valuation & Standards Manual (Red Book).
- It is the intention that any loans that are made to HLL which relate to land transferred by the County Council are likely to be secured by a charge over the land subject to the ability of any bank providing security to the JV LLP to take a charge which ranks in priority to that of the County Council.