Groundbreaking deal in Croydon

One of the most complex property deals in local Government was signed by NCP, Croydon Council and the Royal Bank of Scotland in Spring 2005.

The deal – in which RBS bought five town centre multistorey car parks from Croydon and then leased them to NCP, was groundbreaking because it gave Croydon a significant capital sum with more payments over the timespan of the deal.

Expertise

But the agreement could not have been reached without NCP's significant property and legal expertise.

"NCP are the market leaders in providing car parking, so we know more about how to get best value from them as an asset than anybody," said Mark Peasnall, NCP's Business Development Director.

"Part of our agreement with Croydon includes a rent paid which is linked to trading performance – it is in our interests to maximise trading performance but now the better we do, the more money Croydon gets as well."

The deal had an extremely tight timescale because of the need for it to be completed before the end of the financial year – and faced further challenges because of complicated HR issues, the need for extremely detailed building surveys and the requirement for all the paperwork to be signed off by the district auditor.

Complex transaction

"It's the kind of thing which would put a lot of private companies off – but NCP has industry leading expertise in all these areas. Our HR department has smoothly managed the TUPE transfer of more than 2,000 new colleagues in the past three years," says Mark.

"And our Finance team, under Finance Director Andrew Pollins, is ideally placed to handle this kind of complex transaction, on time and on budget", she added. "And of course, with more than 600 car parks in our portfolio, we have huge experience in carrying out the kind of detailed building survey required."

Increased revenue

Now that the deal has been done the benefits continue to come in for Croydon. Because NCP committed to spend more than £2 million refurbishing the car parks, encouraging more traffic into Croydon town centre – and providing Croydon with a share of increased revenue.