

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	3874
Author:	Philip Le Couteur
Department:	Development and Growth
Contact:	Philip Le Couteur (Job Title: Estates Surveyor, Email: phil.lecouteur@nottinghamcity.gov.uk, Phone: 01158762494)
Subject:	To Approve the Surrender of the Lease for 70-74 Milverton Road, Bestwood Park Estate, Nottingham, NG5 5RH
Total Value:	See Exempt Appendix (Type: Capital)
Decision Being Taken:	To approve the tenant's surrender of the lease of 70-74 Milverton Road, Bestwood Park Estate, Nottingham, NG5 5RH, in exchange for a premium payment as set out in the Exempt Appendix.
Reasons for the Decision(s)	The current tenant has no further use for the properties as a specialist residential home and has requested to surrender the lease. Once the lease is surrendered, the properties will be refurbished and used as social housing.
Briefing notes documents:	2020.04.24 Plan for Properties.pdf
Other Options Considered:	1) To not agree to the surrender of the lease: this option was rejected as the premium received as part of the surrender will cover the rental that would have been provided by the tenant, and will fund the works to the property in order to use them for social housing.
Background Papers:	None
Published Works:	None
Affected Wards:	Bestwood

Colleague / Councillor Interests: None

Any Information Exempt from publication: Yes

Exempt Information:

Description of what is exempt: The details of the financial consideration relating to the surrender of the lease.

An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972

3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption outweighs the public interest in disclosing the information because it contains business-sensitive details that, if revealed, could prejudice the Council's negotiating position.

Documents exempt from publication: 2020.04.24 Exempt Appendix.pdf

Consultations: Those not consulted are not directly affected by the decision.

Crime and Disorder Implications: There are no crime or disorder implications related to this decision.

Equality: EIA not required. Reasons: The decision does not represent a new or changing policy, service or function. The decision adheres to all Council Equality policies.

Relates to Council Property Assets: Yes

Decision Type: Officer

Executive Decision?	Yes
£50,000 or more:	Yes
Scheme of Delegation Reference Number or Other Source of Delegation:	240 - Council-owned Land and Property - Notice and Review
Subject to Call In:	Yes
Call In Expiry date:	29/05/2020
Advice Sought:	Legal, Finance, Property, Other: Heather Day(heather.day@nottinghamcity.gov.uk)
Legal Advice:	<p>From the information provided in the report, the proposed transaction does not appear to raise any substantive legal issues of concern. The transaction will be subject to normal property legal due diligence and the drafting, agreement and completion of formal legal documentation between the parties.</p> <p>Advice provided by Mick Suggett (Team leader: Conveyancing) on 29/04/2020.</p>
Finance Advice:	<p>The surrender of the lease will result in the loss of an annual rent (see Exempt Appendix) for the properties, which were in use as a specialist residential home. When they are converted to Council housing, the rent paid by the tenants will be of at least equal value. The cost of the works to convert the properties is between £85,000 and £100,000, which will be funded in part by the premium paid, and the remainder will be from revenue contributions to capital or capital receipts, depending on the availability at the time the works are completed. The Public Sector Housing Capital Programme (PSHCP) contains a budget for capital voids and the cost of this scheme can be charged to this budget, which is already approved by the Executive Board on February 2020. This budget is sufficient to cover the cost of the works, so no addition to the PSHCP is required. The Council's Mid-Term Financial Plan is not affected.</p> <p>Advice provided by Julie Dorrington (Senior Accountant (Housing Revenue Account)) on 11/05/2020.</p>
Other Advice:	<p>The Housing Strategy and Partnerships supports the return of the properties, as they will be brought back into the general social housing stock. They will be used to house families in need of this type of family accommodation.</p> <p>Advice provided by Heather Day (Housing Strategy and Partnerships Support Officer) on 28/04/20.</p>
Property Advice:	<p>This is a property decision that will allow the properties to be refurbished and used as housing stock.</p> <p>Advice provided by Pippa Hall (Portfolio and Investment Manager) on 24/04/2020.</p>

Signatures:

Kevin Shutter (Director of Strategic Assets and Property)
SIGNED and Dated: 21/05/2020