

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	4000
Author:	Bevis Robert Andrew Mackie
Department:	Development and Growth
Contact:	Bevis Robert Andrew Mackie (Job Title: Estates Surveyor, Email: bevis.mackie@nottinghamcity.gov.uk, Phone: 01158763635)
Subject:	Assignment of Lease and Deed of Variation - Project Albert
Key Decision (decision valued at more than £1million):	Yes
Total Value:	See Exempt Appendix (Type: Revenue)
Decision Being Taken:	To grant landlord's consent to simultaneous assignment of the lease and deed of variation.
Reasons for the Decision(s)	<ol style="list-style-type: none">1) The tenant has been put into administration, and accordingly is therefore unable to perform its obligations under the lease2) a prospective tenant has applied to take assignment of the lease subject to variations of several lease terms3) the prospective tenant offers a good covenant and following negotiations with the applicant acceptable terms have been agreed with respect to varying various terms under the lease terms4) consenting to the assignment will ensure the Council continues to receive an income from this investment property asset
Other Options Considered:	<ol style="list-style-type: none">1) Not consent to assignment (subject to the deed of variation)2) place the property on the open market3) refurbish the premises for alternative use4) take occupation of the premises5) dispose the property <p>All of the above were rejected as the assignment subject to the variation of various lease terms ensures the Council continues to receive an income from this asset without incurring void costs that would otherwise be incurred if placed on the open market, in addition to capital expenditure if the asset were to be refurbished for an alternative use.</p>

Background Papers:

n/a

Published Works:

Decision 3396 - Trade Counter Development - Project Albert - February 2019
Decision 2669 - Investment Acquisition - Project Albert - June 2016

Affected Wards:

Citywide

Colleague / Councillor Interests:

Any Information Exempt from publication:

Yes

Exempt Information:

Description of what is exempt:

Background information including heads of terms, prospective tenant's application, previous exempt decision relating to the acquisition of this asset.

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 would reveal the Council's negotiating position and could prejudice future negotiations.

Documents exempt from publication:

Exempt Appendix 1a Background information.docx, Exempt Appendix 1b.pdf, Exempt Appendix 1c.pdf, Exempt Appendix 1d.pdf, Exempt Appendix 1e.pdf

Consultations:

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications: There are no crime or disorder issues affecting this decision.

Equality: EIA not required. Reasons: as this is not a new or changing policy, service or function and the decision adheres to all Council Equality policies.

Relates to Council Property Assets: Yes

Decision Type: Leader's Key Decision

Subject to Call In: Yes

Call In Expiry date: 05/10/2020

Advice Sought: Legal, Finance

Legal Advice: Advise has been provided in Exempt Appendix 1 - report. Our advice has not changed since this time. Otherwise from the information provided in the report and following discussion with the author of the report the proposed transaction does not appear to raise any significant legal issues of concern. The transaction will be subject to normal property legal due diligence and the drafting, agreement and negotiation of formal legal documentation between the parties.

Advice provided by Victoria McIntyre (Solicitor) on 14/08/2020.

Finance Advice: This advice is exempt from publication and is contained within an exempt appendix, document 'Exempt Appendix 1 Background Information' sections 5 and 6.
Advice provided by Tom Straw (Senior Accountant - Capital Programmes) on 14/08/2020.

Property Advice: This is a Strategic Asset and Property decision and full detail of the reason to support the decision is provided in the exempt appendix. Advice provided by Pippa Hall (Portfolio and Investment Manager) on 14/08/2020.

Signatures:
David Mellen (Leader/ PH Regeneration, Schools, Communications)
SIGNED and Dated: 25/09/2020
Chris Henning (Corporate Director for Development and Growth)
SIGNED and Dated: 20/09/2020