

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	4065
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Department:	Development and Growth
Contact:	Beverley Gouveia (Job Title: Estates Surveyor, Email: beverley.gouveia@nottinghamcity.gov.uk , Phone: 01158762381)
Subject:	Assignment of Lease and Deed of Variation - Project Everest
Key Decision (decision valued at more than £1million):	Yes
Total Value:	Exempt (Type: Revenue)
Decision Being Taken:	1. To approve the assignment of the lease to a new tenant.2. To approve the terms for the Deed of Variation.3. To approve agents fees associated with the administration and Deed of Variation.
Reasons for the Decision(s)	1) The tenant has been put into administration, and is therefore unable to perform its obligations under the lease.2) After negotiation, a prospective tenant has applied to take assignment of the lease subject to variations of several lease terms.3) 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 terms.4) Consenting to the assignment will ensure the Council continues to receive an income from this investment property asset.
Other Options Considered:	1) Not consent to assignment (subject to the deed of variation).2) place the property on the open market.3) refurbish the premises for alternative use.4) take occupation of the premises.5) dispose of the property. All the above options 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.
Background Papers:	None.

Published Works:	None.
Affected Wards:	Citywide
Colleague / Councillor Interests:	None.
Any Information Exempt from publication:	Yes
Exempt Information:	
Description of what is exempt:	<p>Details of the proposed lease terms and tenant details.</p> <p>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</p>
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 financial comments Project Everest 051120.docx, Exempt appendix Project Everest V2 12.11.20.doc, Final HoT's Project Everest 06.11.20.pdf, HOTS FINAL Project Everest - 6.11.2020.docx
Consultations:	Those not consulted are not directly affected by the decision.
Crime and Disorder Implications:	There are no crime and disorder issues arising from this decision.
Equality:	EIA not required. Reasons: An EIA is not required as the decision is not altering Council policy, services or functions.
Relates to Council Property Assets:	Yes

Decision Type:	Leader's Key Decision
Subject to Call In:	Yes
Call In Expiry date:	14/12/2020
Advice Sought:	Legal, Finance
Legal Advice:	<p>From the information provided in the report and following discussion with Property colleagues it is noted that the proposed transaction does not raise any major legal issues of concern. The Council has taken advice from external professional advisors in relation to the terms of the assignment and variation. The matter will be subject to the drafting, negotiation and completion of formal legal documentation between the parties.</p> <p>Advice provided by Mick Suggett (Team leader: Conveyancing) on 16/11/2020.</p>
Finance Advice:	<p>This advice is exempt from publication and is contained within an exempt appendix.</p> <p>Advice provided by Mandy Bryce (Finance Analyst) on 12/11/2020.</p>
Property Advice:	<p>The tenant is in administration and terms have been agreed with a new tenant to take an assignment of the lease on market terms, this will avoid the Council facing costs associated with a void unit.</p> <p>Advice provided by Pippa Hall (Portfolio and Investment Manager) on 06/11/2020. Advice provided by Mark Leavesley (Governance Officer) on 03/12/2020.</p>
Signatures:	<p>David Mellen (Leader/ PH Regeneration, Schools, Communications)</p> <p>SIGNED and Dated: 04/12/2020</p> <p>Chris Henning (Corporate Director for Development and Growth)</p> <p>SIGNED and Dated: 03/12/2020</p>