

Nottingham City Council Delegated Decision



Reference Number:	4366
Author:	Hannah Owens
Department:	Growth and City Development
Contact:	Hannah Owens (Job Title: Estates Surveyor, Email: hannah.owens@nottinghamcity.gov.uk, Phone: 07714488356)
Subject:	222-224 Southchurch Drive, Clifton, NG11 8AA
Total Value:	See exempt appendix (Type: Capital)
Decision Being Taken:	To agree to the surrender of the existing 99 year lease and grant a new 150 year lease on terms set out in the exempt appendix.
Reasons for the Decision(s)	<p>Nottingham City Council owns the freehold interest of 222-224 Southchurch Drive, Clifton. The property is subject to a 99 year lease from 29/09/1953 at a fixed ground rent of £80.86 per annum. The property forms part of a parade of similar properties, the freeholds of which are owned by the City Council.</p> <p>The existing head lessee has approached the City Council to re-gear the existing lease (acquired by assignment in July 2021), which will involve the surrender of the existing lease and the grant of a new 150 year lease. The existing lease has 31 years unexpired, and from an investment perspective, is less ideal for the head lessee to realise any capital contributions made to improve the property.</p> <p>By agreeing to grant a new 150 year lease, the Council benefits from the receipt of a capital sum (premium) and the head lessee obtains greater security to invest in the property. This represents value for money for the Council and is an efficient and effective use of resources.</p>
Other Options Considered:	The other option is to continue with the current leasing arrangement. This would result in a lost opportunity for gaining a capital receipt to the Council. Therefore this option has been discounted.
Background Papers:	None

Published Works:	None
Affected Wards:	Clifton East
Colleague / Councillor Interests:	None
Any Information Exempt from publication:	Yes
Exempt Information:	
Description of what is exempt:	Valuation, heads of terms and background notes
	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
2 - Information which is likely to reveal the identity of an individual	The public interest in maintaining the exemption outweighs the public interest in disclosing the information because the applicants name and contact details are entered into the proposed heads of terms
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 the valuation and heads of terms contain commercially sensitive property negotiations which could prejudice future negotiations.
Documents exempt from publication:	Exempt Finance Comments - 222-224 Southchurch Drive Regear.docx, 2021.08.10 HOTs 222-224 Southchurch Drive.doc, 2021.08.11 - Valuation for Re-Gear.pdf, Background Notes to Re Gear of Ground Lease of 222-224 Southchurch.doc
Consultations:	Those not consulted are not directly affected by the decision.
Crime and Disorder Implications:	There are no Crime and Disorder implications that relate to this decision.
Equality:	EIA not required. Reasons: EIA is not required in this decision as this is not a new or changing policy, service or function.

Relates to Council Property Assets:	Yes
Decision Type:	Portfolio Holder
Subject to Call In:	Yes
Call In Expiry date:	21/09/2021
Advice Sought:	Legal, Finance, Property
Legal Advice:	from the information provided by the author of the report and the Exempt information there are no significant concerns on the proposed transaction. It will be subject to the normal due diligence, negotiation and completion of a surrender and a new lease documentation. Advice provided by Joanne Backhouse Senior Solicitor within the Conveyancing Legal team on 17/08/2021.
Finance Advice:	This advice is exempt from publication and is contained within an exempt appendix Advice provided by Sohaib Chaudhry (Senior Commercial Business Partner) on 02/09/2021.
Property Advice:	The terms agreed will generate a capital receipt for the Council and the extension of the lease term will allow the tenant to invest in the property. Advice provided by Pippa Hall (Portfolio and Investment Manager) on 13/08/2021.
Signatures	David Mellen (Leader/ PH Strategic Regeneration Communications)
	SIGNED and Dated: 14/09/2021
	Sajeeda Rose (Corporate Director of Growth & City Development)
	SIGNED and Dated: 13/09/2021