

**Executive Board
21 December 2021**

Subject:	New Lease of Private Road Number One, Colwick Industrial Estate, Colwick, Nottingham
Corporate Director(s)/Director(s):	Sajeeda Rose, Corporate Director for Growth and City Development
Portfolio Holder(s):	Councillor David Mellen, Portfolio Holder for Strategic Regeneration and Communications
Report author and contact details:	Pippa Hall, Acting Head of Corporate Portfolio and Investment pippa.hall@nottinghamcity.gov.uk
Other colleagues who have provided input:	Not applicable
Subject to call-in: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Key Decision: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Criteria for Key Decision:	
(a) <input type="checkbox"/> Expenditure <input checked="" type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision	
and/or	
(b) Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Type of expenditure: <input type="checkbox"/> Revenue <input type="checkbox"/> Capital	
Total value of the decision: See Exempt Appendix	
Wards affected: All	
Date of consultation with Portfolio Holder(s): 15 November 2021	
Relevant Council Plan Key Outcome:	
Clean and Connected Communities	<input type="checkbox"/>
Keeping Nottingham Working	<input type="checkbox"/>
Carbon Neutral by 2028	<input type="checkbox"/>
Safer Nottingham	<input type="checkbox"/>
Child-Friendly Nottingham	<input type="checkbox"/>
Healthy and Inclusive	<input type="checkbox"/>
Keeping Nottingham Moving	<input type="checkbox"/>
Improve the City Centre	<input type="checkbox"/>
Better Housing	<input type="checkbox"/>
Financial Stability	<input checked="" type="checkbox"/>
Serving People Well	<input type="checkbox"/>

Summary of issues (including benefits to citizens/service users):

The occupational lease for Private Road Number One, Colwick Industrial Estate, Colwick, Nottingham expires in March 2022. The tenant has a right to renew the lease and terms for a lease renewal have been negotiated between both parties.

Does this report contain any information that is exempt from publication?

The appendices to the report are exempt from publication under Paragraph 3 of Schedule 12A to the Local Government Act 1972 because they contain information relating to the financial or business affairs of any particular person (including the authority holding that information) and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because the appendices contain commercially sensitive details relating to the terms of the proposed new lease that, if published, would prejudice the Council's future negotiating position.

Recommendation(s):

1 To approve the terms agreed with the existing tenant for a new lease of Private Road Number One, Colwick Industrial Estate, Colwick, Nottingham, as set out in the Exempt Appendix.

2 To approve the payment of the associated fees.

1. Reasons for recommendations

- 1.1 The occupational lease for the property expires in March 2022 and terms for a lease renewal have been negotiated between both parties. The tenant has a right to renew the lease and acceptable terms have been agreed.

2. Background (including outcomes of consultation)

- 2.1 The hybrid industrial/office building was acquired by the Council in 2016. The existing lease is from 2007 and expires in March 2022. The tenant approached the Council wishing to agree terms to renew the lease and an external agent was appointed to act on behalf of the Council to negotiate the terms for a new lease.

3. Other options considered in making recommendations

- 3.1 To not renew the lease: this option has been rejected as the tenant has the right to renew the lease under the Landlord and Tenant Act 1954 and the Council has no grounds to object to a new lease.

4. Consideration of Risk

- 4.1 There is a risk that the tenant may decide to not renew the lease and vacate the property. This will be mitigated by agreeing the new lease as quickly as possible.

5. Finance colleague comments (including implications and value for money/VAT)

- 5.1 The Finance comments are exempt from publication and are contained within an Exempt Appendix.

Advice provided by Susan Tytherleigh, Finance Business Partner, on 17 November 2021.

6. Legal colleague comments

- 6.1 From the information supplied with the report and following discussion with the Council's Property department, the proposed transaction does not appear to raise any significant legal issues of concern. The grant of the renewal lease should follow the terms agreed between the parties and will be subject to normal property legal due diligence and the drafting, agreement and completion of formal lease documentation between the parties.

Advice provided by Mick Suggett, Team Leader – Conveyancing, on 17 November 2021.

7. Property colleague comments

- 7.1 Approval of the lease terms will ensure that future revenue from the property is secured. The terms have been agreed with an independent agent following extensive negotiations and, therefore, represent Best Consideration under the Local Government Act 1972. Not approving this decision could result in the tenant seeking a legal continuation of the lease under relevant Landlord and Tenant laws and the tenant vacating the premises would expose the Council to significant void holding costs and re-letting costs.

This decision causes no Property concerns and is supported.

Advice provided by Beverley Gouveia, Disposals and Development Team Leader, on 18 November 2021.

8. Equality Impact Assessment (EIA)

- 8.1 An EIA is not required because this decision does not include proposals for a new or changing policy, service or function.

9. Data Protection Impact Assessment (DPIA)

- 9.1 A DPIA is not required because this decision does not involve the use of any data to external parties, other than those involved with the immediate lease negotiations.

10. Carbon Impact Assessment (CIA)

- 10.1 Not applicable.

11. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

11.1 None.

12. Published documents referred to in this report

12.1 None.