

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	4529
Author:	Rizvan Shafiq
Department:	Growth and City Development
Contact:	Rizvan Shafiq (Job Title: Senior Estates Surveyor, Email: rizvan.shafiq@nottinghamcity.gov.uk, Phone: 8763087)
Subject:	Long Lease Extension (re-gear) for 116 Southchurch Drive, Clifton, Nottingham, NG11 8AD
Total Value:	See exempt appendix (Type: Capital)
Decision Being Taken:	To agree to the surrender of the existing lease of the above mentioned property 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 116 Southchurch Drive, Clifton (also known as 116-118 Southchurch Drive). The property is subject to a 99 year lease from 01/08/1961 at a fixed ground rent of £55.00 per annum. The subject property is a detached building which has been converted into two retail units.</p> <p>The tenant has approached the City Council with a view of re-gearing their existing lease to a new 150 year term. The existing lease has 34 years unexpired. The re-gear of the lease will provide a longer term and increased security for the tenant encouraging their investment into the property. In addition, the Council will receive a capital payment which will be used to support the financial position of the City Council.</p>
Other Options Considered:	To continue with the current lease terms - this option is rejected as it would result in a missed opportunity for the Council to achieve capital receipts and would discourage investment into a Council asset.
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:	Financial details.
	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 prejudice future negotiations that the Council undertakes.
Documents exempt from publication:	2021.12.21- Exempt Appendix 116 Southchurch Drive.docx
Consultations:	Those not consulted are not directly affected by the decision.
Crime and Disorder Implications:	None arising from this decision
Equality:	EIA not required. Reasons: The decision does not involve new or changing policies, services or functions.
Relates to Council Property Assets:	Yes
Decision Type:	Portfolio Holder

Subject to Call In:	Yes
Call In Expiry date:	21/02/2022
Advice Sought:	Legal, Finance, Property
Legal Advice:	From the information provided from the Exempt Information there are no significant concerns with the proposed transaction. It will be subject to the normal due diligence, negotiation and completion of surrender and lease documentation. Advice provided by Joanne Backhouse (Senior Solicitor in the Conveyancing Legal team) on 10/01/2022.
Finance Advice:	The capital receipt as highlighted in the exempt appendix will be treated as a corporate receipt and applied in accordance with the Capital Strategy. This site has not been opted to tax so VAT will not have to be charged as part of this transaction. Advice provided by Tom Straw (Senior Accountant - Capital Programmes) on 17/01/2022.
Property Advice:	The decision to agree to re gear the lease is supported as it will result in a capital receipt for the Council, in return for a nominal loss in revenue. Advice provided by Pippa Hall (Portfolio and Investment Manager) on 21/12/2021.
Signatures	David Mellen (Leader/ PH Strategic Regeneration Communications)
	SIGNED and Dated: 12/02/2022
	Sajeeda Rose (Corporate Director of Growth & City Development)
	SIGNED and Dated: 04/02/2022