

**Executive Board**  
**19 July 2022**

<b>Subject:</b>	Letting of Unit 4 North Lincolnshire Retail Park, Doncaster Road, Scunthorpe
<b>Corporate Director(s)/Director(s):</b>	Sajeeda Rose, Corporate Director for Growth and City Development
<b>Portfolio Holder(s):</b>	Councillor David Mellen, Portfolio Holder for Strategic Regeneration and Communications
<b>Report author and contact details:</b>	Bevis Mackie, Head of Commercial Property Investment Portfolio <a href="mailto:bevis.mackie@nottinghamcity.gov.uk">bevis.mackie@nottinghamcity.gov.uk</a>
<b>Other colleagues who have provided input:</b>	
<b>Subject to call-in:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Key Decision:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Criteria for Key Decision:</b>	
(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	
<b>and/or</b>	
(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	
<b>Type of expenditure:</b> <input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital	
<b>Total value of the decision:</b> Exempt	
<b>Wards affected:</b> None	
<b>Date of consultation with Portfolio Holder(s):</b> 4 July 2022	
<b>Relevant Council Plan Key Outcome:</b>	
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):**

It is proposed to let out Unit 4 North Lincolnshire Retail Park, Doncaster Road, Scunthorpe on market-facing terms to a prime UK covenant. The unit has been openly marketed by a retail warehouse specialist, which has recommended that the Council accepts the terms of the letting. The new letting will provide income and remove significant void costs.

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

An appendix to the report is exempt from publication under Paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains 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 it contains commercially sensitive details relating to the terms of the proposed new lease that, if published, would prejudice the Council's position in future negotiations.

**Recommendation(s):**

1. To approve the lease terms agreed with the prospective tenant in respect of Unit 4 North Lincolnshire Retail Park, Doncaster Road, Scunthorpe, as set out in the Exempt Appendix.
2. To approve the payment of the associated fees.
3. To delegate authority to the Director for Economic Development and Property to approve any required final terms and conditions to the agreement, save for the rent.

**1. Reasons for recommendations**

- 1.1 The property is currently vacant, with the letting opportunity marketed by an external agent on behalf of the Council. Acceptable lease terms have been negotiated with a prospective tenant.

**2. Background**

- 2.1 The property forms part of the Council's commercial property investment portfolio, but became vacant in May 2021 following financial difficulties with the tenant. The property has been openly marketed by a specialist agent and market-facing terms have been agreed. The letting will ensure that the Council mitigates against ongoing void costs and that a secure rental income continues to be received from this asset.

**3. Other options considered in making recommendations**

- 3.1 To not to proceed with the letting to the prospective tenant: this option is rejected as the market conditions could potentially worsen, leading to a longer void period (where the Council is responsible for meeting all associated void costs), and greater incentives may be required for a future letting.

#### **4. Consideration of Risk**

- 4.1 The market conditions could potentially deteriorate, leading to a prolonged void period and less favourable lease terms. In completing the letting, it will remove ongoing void costs and ensure a secure rental income is received from this asset.

#### **5. Finance colleague comments**

- 5.1 Finance comments are included in the Exempt Appendix.

Comments provided by Sarah Baker, Senior Commercial Business Partner, on 30 June 2022.

#### **6. Legal colleague comments**

- 6.1 Legal comments are included in the Exempt Appendix.

Comments provided by Mick Suggett, Team Leader – Conveyancing, on 30 June 2022.

#### **7. Property colleague comments**

- 7.1 Property comments are included in the Exempt Appendix.

Comments provided by Beverley Gouveia, Head of Disposals and Development, on 30 June 2022.

#### **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 the decision does not include the processing of personal data.

#### **10. Carbon Impact Assessment (CIA)**

- 10.1 A CIA is not required because this decision is concerned with the granting of a lease for a commercial property asset to the prospective tenant who will occupy the premises for the purpose of carrying out its business activities.

#### **11. List of background papers relied upon in writing this report**

- 11.1 None.

#### **12. Published documents referred to in this report**

- 12.1 None.