

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	2055
Author:	Richard Cox
Department:	Development
Contact:	Richard Cox (Job Title: Senior Estate Surveyor, Email: richard.cox@nottinghamcity.gov.uk, Phone: 01158763074)
Subject:	Lease Re-Gear - Land 5,860 sq yds to the South East of Glaisdale Drive West, Nottingham NG8 4GY
Total Value:	Set out in the exempt appendix (Type: Capital)
Decision Being Taken:	To take a surrender of the existing 99 year lease relating to 5,860 square yards of land on Glaisdale Drive West to MJ Kelk, MJ Oliver and Oval Trustees Limited and grant a new 125 year lease to the same party at the terms set out in the exempt appendix
Reasons for the Decision(s)	<p>Nottingham City Council owns the freehold interest in 5,860 square yards of land on the south east side of Glaisdale Drive West subject to a 99 year lease from 1956 at a fixed ground rent of £293 per annum. The head lessee is MJ Kelk, MJ Oliver and Oval Trustees Limited. Glaisdale Drive is an established and important industrial estate; ownership of the estate is split between the City Council and Bridge Estate, a charity for which the City Council is sole trustee.</p> <p>The head lessee has approached the City Council to re-gear the leasing arrangement which will involve the surrender of the existing lease and the grant of a new 125 year lease. Negotiations have taken place with the agent acting for the head lessee and terms agreed. These are set out in the exempt appendix. The head lease has 40 years left to run which makes it very difficult to justify investment in the property by the head lessee and equally difficult to obtain finance. By agreeing to the grant of a new 125 year lease, the City Council will receive a capital receipt and the head lessee will obtain greater security to invest in the premises</p>
Briefing notes documents:	Glaisdale Drive West.pdf
Other Options Considered:	The other option is to continue with the current leasing arrangement. This would act as a deterrent to any significant investment in the site and would not result in a capital receipt to the Council.
Background Papers:	None

Published Works: **None**

Affected Wards: **Bilborough**

Colleague / Councillor Interests:

Exempt Information:

Description of what is exempt: **The proposed terms for the new lease**

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 the publication of the heads of terms may prejudice the completion of the new leasing arrangement

Documents exempt from publication:

NOT FOR PUBLICATION Glaisdale Drive.doc

Consultations:

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

There are no direct implications

Equality:

EIA not required. Reasons: There are no implications that necessitate an EIA

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:	09/07/2015
Advice Sought:	Legal, Finance
Legal Advice:	The proposals set out in the report raise no significant legal issues and, in the circumstances outlined, are supported. Advice provided by Malcolm Townroe (Legal Services Manager) on 15/06/2015.
Finance Advice:	The City Council will receive a capital receipt from the lease re-gear. In accordance with the decision of Executive Board in February 2011 it is proposed that this capital receipt will be retained for reinvestment in the Property Trading Account. Advice provided by Georgina Lewis (Finance Analyst) on 27/05/2015.
Signatures	Graham Chapman (PH for Resources and Neighbourhood Regeneration)
	SIGNED and Dated: 02/07/2015
	David Bishop (Deputy CE, CD for Development and Growth)
	SIGNED and Dated: 02/07/2015