

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	2771
Author:	Rizvan Shafiq
Department:	Development
Contact:	Rizvan Shafiq (Job Title: Senior Estates Surveyor, Email: rizvan.shafiq@nottinghamcity.gov.uk, Phone: 8763087)
Subject:	Release former tenant from lease obligations of land at Thane Road/Bull Close Road Lenton Lane Industrial Estate Nottingham
Total Value:	See exempt appendix (Type: Capital)
Decision Being Taken:	To authorise the release of Imperial Tobacco from the Tenant's obligations under their two leases, once they have been assigned to the new leasee, in return for a payment as detailed in the exempt appendix.
Reasons for the Decision(s)	<p>The two Imperial Tobacco sites are also known as the 'Horizon Factory'. Horizon Factory is located approximately 2 miles south west of Nottingham City Centre on the well established Lenton Lane Industrial Estate.</p> <p>The sites are let to Imperial Tobacco limited on separate 999 year leases, both for a nominal ground rent. The total site area is approximately 49 acres comprising production facilities and warehousing.</p> <p>Imperial Tobacco Limited ceased production at the site in 2016 and have since placed the site on the market. A purchaser has been identified who will develop the site for employment use, subject to planning. Imperial Tobacco have approached the Council requesting that they be released from any future liability should the new leaseholder default under the lease obligations (since the original tenant remains liable for the entire term under leases dated pre 1995). Accordingly, terms have been agreed resulting in a capital payment which the Council consider to be acceptable under all of the circumstances.</p>
Other Options Considered:	<p>Decline Imperial Tobacco's request for release - This option is not recommended because the Council feels that the new tenant, whilst not to the same financial standing as Imperial Tobacco, are still considered a reasonable covenant.</p> <p>There are no other options to be considered as the property is subject to a lease.</p>
Background Papers:	None

Published Works: **None**

Affected Wards: **Dunkirk and Lenton**

Colleague / Councillor Interests: **None**

Any Information Exempt from publication: **Yes**

Exempt Information:

Description of what is exempt: **Financial Details and terms agreed (included within the exempt appendix)**

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 disclosure of the terms could prejudice other negotiations that the Council undertakes.

Documents exempt from publication:

2017.02.28 - Exempt Appendix Thane Road Bull Close Road.docx

Consultations:

Date: 27/02/2017

Ward Councillors: David Trimble, Sarah Piper

Ward Councillors were consulted and raised no objections.

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

There are no crime or disorder implications included in this decision.

Equality:	EIA not required. Reasons: This is not a new or changing policy, service or function. The decision adheres to all Council Equality Policies.
Relates to Council Property Assets:	Yes
Decision Type:	Portfolio Holder
Subject to Call In:	Yes
Call In Expiry date:	20/03/2017
Advice Sought:	Legal, Finance, Property
Legal Advice:	The proposals contained in this decision do not pose any significant issues. Legal Services will complete documentation to give effect to the agreement reached between the parties. Advice provided by Rebecca Beecroft (Solicitor) on 28/02/2017. Advice provided by Rebecca Beecroft (Solicitor) on 03/03/2017.
Finance Advice:	The income received from the variation on the original lease agreement will be treated as property trading account capital receipts, which will be used for Property Trading account's future capital projects. Advice provided by Mandy Bryce (Finance Analyst) on 01/03/2017.
Property Advice:	The terms of this covenant release have been negotiated by the property team and are considered to represent best value to the City Council. Advice provided by Peter Carroll (Head of Portfolio Investment & Development) on 03/03/2017.
Signatures	Jon Collins (Leader & PH Strategic Regeneration)
	SIGNED and Dated: 13/03/2017
	David Bishop (Deputy CE, CD for Development and Growth)
	SIGNED and Dated: 13/03/2017