

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	3025
Author:	Richard Cox
Department:	Development and Growth
Contact:	Richard Cox (Job Title: Senior Estate Surveyor, Email: richard.cox@nottinghamcity.gov.uk, Phone: 01158763074)
Subject:	Caves entrance, Broadmarsh Shopping Centre - Lease agreement
Total Value:	£200,000 Capital £340,000 Revenue (Type: Capital and Revenue)
Decision Being Taken:	To enter into an Agreement for Lease with Intu Properties in respect of the proposed new entrance unit to the Broadmarsh Caves. The lease will be for a term of 20 years, commencing on the practical completion of the main build contract on the Shopping Centre, which is programmed for April 2020.
Reasons for the Decision(s)	<p>The City Council owns the freehold interest in the Broadmarsh caves. The caves can only be accessed through the Broadmarsh Shopping Centre, which is subject to a long lease to Intu Properties. During the redevelopment of the Shopping Centre it will not be possible to access the caves from the mall; a temporary access will be created from Sussex Street at the bottom of the Nottingham Contemporary steps. Intu Properties has agreed that this is funded as part of the Enabling Works, of which the Council pays 33%, but requires the Council to commit to a lease of the new 'permanent' entrance unit when works to the Centre are completed in April 2020.</p> <p>The Caves are currently leased to the Egalitarian Trust, which has recently changed its name to the National Justice Museum (NJM) ; Executive Board, on 21 July 2015, approved the grant of a new 20 year lease of the caves to the NJM. Completion of this lease has been delayed until the redevelopment of the Shopping Centre is completed. It is proposed to sub-let the entrance unit lease to NJM so that it has the security offered by control of both the entrance unit and the caves. If for any reason NJM is not in a position to complete the agreement the opportunity could be re-marketed. All the costs and obligations included in the head lease will be passed on to the sub-lessee.</p>
Other Options Considered:	Not to grant a new lease - not an option as the Egalitarian Trust/NJM has operated the Caves as a tourist destination since 2004 and Executive Board approval has already been granted for a new 20 year lease.

Background Papers:

None

Published Works:

Executive Board report - 21 July 2015

Affected Wards:

Bridge

Colleague / Councillor Interests:

None

Any Information Exempt from publication:

Yes

Exempt Information:

Description of what is exempt:

Heads of Terms for Agreement for 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 terms of the leasing arrangement are commercially sensitive.

Documents exempt from publication:

Heads of Terms - Entrance to Caves Broadmarsh 17 08 17.docx

Consultations:

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

None

Equality:	EIA not required. Reasons: Decision does not include new or changing policies.
Relates to Council Property Assets:	Yes
Decision Type:	Portfolio Holder
Subject to Call In:	Yes
Call In Expiry date:	19/12/2017
Advice Sought:	Legal, Finance, Property
Legal Advice:	<p>The proposal set out in the report raises no significant legal issues and, on the assumption that the business case underpinning it is considered sufficiently robust by the report author, it is supported. Legal Services will provide such further advice as may be required in order to bring this matter to a suitable conclusion.</p> <p>Advice provided by Malcolm Townroe (Director of Legal and Governance) on 23/10/2017.</p>
Finance Advice:	<p>The value of this decision is split between capital and revenue.</p> <p>The capital element is in relation to fitting out - it is anticipated that these costs will be recovered by the tenant. Should the sub-lease not materialise, further approval will be required to identify the funding of the works, including any funding of abortive costs.</p> <p>The revenue element of the decision is for the service charge of the existing unit - it is envisaged that these costs will be recharged as part of the sub-lease as per the current agreement.</p> <p>Advice provided by Thomas Straw(Finance Officer) on 24/10/2017.</p>
Property Advice:	<p>This is a report of the Director of Strategic Assets and Property, no further comment is therefore necessary.</p> <p>Advice provided by Rodney Alan Martin (Senior Surveyor) on 07/09/2017.</p>
Signatures	<p>Jon Collins (Leader & PH Strategic Infrastructure & Comms)</p> <p>SIGNED and Dated: 12/12/2017</p> <p>David Bishop (Deputy CE, CD for Development and Growth)</p> <p>SIGNED and Dated: 12/12/2017</p>