

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	3347
Author:	Peter Carroll
Department:	Development and Growth
Contact:	Beverley Gouveia (Job Title: Estates Surveyor, Email: beverley.gouveia@nottinghamcity.gov.uk, Phone: 01158762381)
Subject:	Letting of Unit 5J Mulberry Walk, Mere Green, Sutton Coldfield
Total Value:	Exempt (Type: Revenue)
Decision Being Taken:	1. To approve the letting of Unit 5J on the terms set out in the exempt appendix. 2. Authorise the Director of Legal and Governance to appoint external solicitors to complete the transaction on behalf of the Council.
Reasons for the Decision(s)	Mulberry Walk, Mere Green was acquired in December 2017 as an investment acquisition. At the time of acquisition there were vacant units which were being marketed and for which the Council received a rental top up by the vendor. Letting terms have now been agreed for the occupation of Unit 5J with legal work being completed by external solicitors.
Other Options Considered:	Not to let the unit on the agreed terms - this would result in the unit remaining vacant and the Council not maximising income from the development. An on-going vacancy would also result in the Council having to pay void costs including business rates, service charge and insurance.
Background Papers:	None.
Published Works:	Delegated decision 3029 - Project Mulberry
Affected Wards:	Citywide

Colleague / Councillor Interests:

None.

Any Information Exempt from publication:

Yes

Exempt Information:

Description of what is exempt:

The terms of the letting are exempt as these are commercially sensitive to the Council and proposed tenant. Disclosure of the terms could result in the letting being lost.

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 letting terms at this stage may result in the interest being lost. Also, the Heads of Terms contain financial information concerning the proposed tenant and the Council.

Documents exempt from publication:

Unit 5J Heads of Terms 16.10.18.pdf, Letting of Unit 5J Mulberry Walk - Total cost of decision.docx

Consultations:

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

The decision does not impact on crime and disorder in the city.

Equality:

EIA not required. Reasons: An EIA is not required as the decision does not change policy or impact on services or functions.

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

27/12/2018

Advice Sought:

Legal, Finance

Legal Advice:

From the information provided in the report the proposed lease transaction does not appear to raise any substantial legal issues of concern. The transaction will be subject to normal legal and property due diligence work and the transaction will be subject to agreement of formal legal documentation between the parties. Advice provided by Mick Suggett (Team leader: Conveyancing) on 21/11/2018.

Finance Advice:

The new lease on 5J Mulberry Walk, Mere Green will increase the rental income for the Chamber Estate portfolio and contribute towards the SAM Big Ticket Savings Target. The property was purchased in December 2017, when the seller had already topped up 18 months' rent, service charge void and void rates for this unit. However, due to rent-free and rent reduction arrangements as part of the new letting, there may be a rental shortfall in future years which will need to be topped up by the Property Investment Sinking Fund. Due to the sinking fund being able to manage this there will be no additional financial pressure on the Property Trading Account. Advice provided by Susan Tytherleigh (Senior Finance Manager) on 23/10/2018.

Signatures

Jon Collins (Leader & PH for Regeneration and Growth)
SIGNED and Dated: 17/12/2018
Chris Henning (Corporate Director for Development and Growth)
SIGNED and Dated: 14/12/2018