

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	3430
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Department:	Development and Growth
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Subject:	186-188 Southchurch Drive, Clifton, Nottingham, NG11 8AA
Total Value:	In exempt appendix (Type: Capital)
Decision Being Taken:	To agree to the surrender of the existing 99 year lease and grant a new 150 year lease on terms set out in the exempt appendix
Reasons for the Decision(s)	<p>Nottingham City Council owns the freehold interest of 186-188 Southchurch Drive, Clifton. The property is subject to a 99 year lease from 29/9/1953 at a fixed ground rent of £82.50 per annum, per property. The property forms part of a parade of similar properties, the freeholds of which are owned by the City Council.</p> <p>The existing head lessee have approached the City Council to re gear the existing lease (aquired by assingment in May 2018) which will involve the surrender of the existing leases and the grant of new 150 year leases. The existing lease has 34 years unexpired, and from an investment perspective, is less ideal for the head lessee to realise any capital contributions made to improve the property.</p> <p>By agreeing to a grant of a new 150 year lease the Council benefits from the receipt of a capital sum (premium) and the head lessee obtains greater security to invest in the property. Similar, it mitigates the issue of the Council being the competent Landlord, should a lease extension application be received for the residential element of the property. This represents value for money for the Council and is an efficient and effective use of resources.</p>
Other Options Considered:	To continue with the current leasing arrangement. This would result in a lost opportunity for gaining a capital receipt to the Council, and renders the Council as the competent Landlord. This option has been discounted.
Background Papers:	Not applicable

Published Works:	Not applicable
Affected Wards:	Clifton South
Colleague / Councillor Interests:	None
Any Information Exempt from publication:	Yes
Exempt Information:	
Description of what is exempt:	Valuation and proposed Head of Terms
	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
2 - Information which is likely to reveal the identity of an individual	The public interest in maintaining the exemption outweighs the public interest in disclosing the information because the applicants name and contact details are entered on the proposed Head of Terms.
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 Valuation and Head of Terms contain commercially sensitive property negotiations which could prejudice future negotiations
5 - Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.	The public interest in maintaining the exemption outweighs the public interest in disclosing the information because it contains information in respect of which a claim to legal professional privilege could be maintained in legal proceedings relating to a proposed transaction.
Documents exempt from publication:	exempt legal appendix for 186 Southchurch Drive.docx, Heads of Terms_186-188 Southchurch Drive.doc.pdf, 2019.1.29 Signed Valuation Sheet_186 Southchurch Drive.pdf, Exempt - Background Info_186 -188 Southchurch Drive.doc
Consultations:	Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:	There are no Crime and Disorder implications that relate to this decision.
Equality:	EIA not required. Reasons: EIA is not required in this decision as this is not a new or changing policy, service or function. The decision adheres to all the Council's Equality Policies.
Relates to Council Property Assets:	Yes
Decision Type:	Portfolio Holder
Subject to Call In:	Yes
Call In Expiry date:	08/03/2019
Advice Sought:	Legal, Finance, Property
Legal Advice:	This advice is exempt from publication and is contained within an exempt appendix. Advice provided by Mick Suggett (Team leader: Conveyancing) on 25/02/2019.
Finance Advice:	The capital income as result of re gearing the existing lease either will support future investment purchases or will be used to improve the standard of other traded properties to generate more income. Advice provided by Mandy Bryce (Finance Analyst) on 08/02/2019.
Property Advice:	This is a Property decision that meets criteria, no further guidance is required. Advice provided by Peter Carroll (Portfolio and Investment Manager) on 06/02/2019.
Signatures	Jon Collins (Leader & PH for Regeneration and Growth) SIGNED and Dated: 27/02/2019 Chris Henning (Corporate Director for Development and Growth) SIGNED and Dated: 27/02/2019