

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	3431
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Department:	Development and Growth
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Subject:	234 Southchurch Drive, Clifton, Nottingham, NG11 8AA
Total Value:	In exempt appendix (Type: Capital) (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 234 Southchurch Drive, Clifton. The property is subject to a 99 year leases from 29/9/1953 at a fixed ground rent of £94 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 assignment in January 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. This represents value for money for the Council and is an efficient and effective use of resources.</p>
Other Options Considered:	The other option is to continue with the current leasing arrangement. This would result in a lost opportunity for gaining a capital receipt to the Council. This option has been discounted.
Background Papers:	None

Published Works:

Affected Wards:

Colleague / Councillor Interests:

Any Information Exempt from publication:

Exempt Information:

Description of what is exempt:

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 and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

It is not in the public interest to disclose this information because it contains confidential legal advice in respect of the proposed transaction and disclosure could prejudice the Council's position.

Documents exempt from publication:

Background Notes to Re Gear of Ground Lease of 234 Southchurch.doc, Heads of Terms_234 Southchurch Drive.doc.pdf, 2019.1.29 Signed Valuation Sheet_234 Southchurch Drive.pdf, exempt legal appendix for 234 Southchurch Drive.docx

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 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:

10/03/2019

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 11/02/2019.

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:

Property decision that meets criteria, no further guidance 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: 15/02/2019