

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	3495
Author:	Michelle Webster
Department:	Development and Growth
Contact:	Michelle Webster (Job Title: Senior Estates Surveyor, Email: michelle.webster@nottinghamcity.gov.uk, Phone: 0115 876 3735)
Subject:	Lease of Unit 3, Clarence Court, Nottingham, NG3 2FB
Total Value:	Exempt. (Type: Revenue)
Decision Being Taken:	To approve a new letting of Unit 3 Clarence Court on a 10 year business tenancy, outside of the security provisions of the Landlord and Tenant Act, on the terms set out in the exempt appendix.
Reasons for the Decision(s)	Unit 3 Clarence Court has been vacant for some time owing to repair issues with the existing roof. A project to replace the whole roof of Clarence Court was commissioned for completion in March 2019, producing a fully lettable unit with no repair issues. An applicant has been identified for the unit and Heads of Terms have been agreed. By agreeing to a grant of a new ten-year lease, the Council benefits from the receipt of a regular revenue sum and reduces the current financial liabilities from holding a vacant property. Similarly, it provides a benefit to the wider area as it will provide employment opportunities. This represents value for money for the Council and is an efficient and effective use of resources.
Other Options Considered:	1) To market the property in its current condition. This option was rejected as it does not comply with legislative requirements under the Minimum Energy Efficiency Standards regulations, and could generate further landlord repair costs.2) To remove the property from the market and retain for internal purposes. This option was rejected as no identified internal use exists.
Background Papers:	None.

Published Works:	DD3353 - Roof replacement works at Clarence Court and Garnet Court, Nottingham (https://committee.nottinghamcity.gov.uk/ieDecisionDetails.aspx?ID=4677).
Affected Wards:	St Ann's
Colleague / Councillor Interests:	None.
Any Information Exempt from publication:	Yes
Exempt Information:	
Description of what is exempt:	The exempt appendix includes a financial appraisal and the proposed Heads 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
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 Financial Appraisal and Heads of Terms contain commercially sensitive property negotiations that could prejudice future negotiations in relation to Unit 3 Clarence Court.
Documents exempt from publication:	Draft Heads of Term_Unit 3 Clarence Court_2019_v2.pdf, Investment Appraisal Roof Works_Clarence.xlsx
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. This decision has a positive implication for Section 17 of the Crime and Disorder Act as it seeks to improve existing void properties which can help to deter the potential for vandalism, damage and theft of an otherwise vacant property.
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: Officer

Executive Decision? Yes

£50,000 or more: Yes

Scheme of Delegation Reference Number or Other Source of Delegation: 237

Subject to Call In: Yes

Call In Expiry date: 17/04/2019

Advice Sought: Legal, Finance, Property

Legal Advice: From the information provided in the report and following discussion with the author of the report, the proposed transaction does not appear to raise any substantive legal issues of concern. The proposed transaction will be subject to normal property legal due diligence work and the drafting, negotiation and agreement of formal legal documentation between the parties.

Advice provided by Mick Suggett (Team leader: Conveyancing) on 27/03/2019.

Finance Advice: The new lease will increase the rental income for the Chamber Estate portfolio and contribute towards the SAM Big Ticket Savings Target.

Advice provided by Mandy Bryce (Finance Analyst) on 29/03/2019.

Property Advice: This is a property decision which will create revenue income for the Chamber property portfolio. A due diligence process has been followed.

Advice provided by Pippa Hall (Portfolio and Investment Manager) on 26/03/2019.

Signatures: Kevin Shutter (Director of Strategic Assets and Property)
SIGNED and Dated: 10/04/2019