

St Michael's Gate Short Term Lease Renewal

Councillor Peter Hiller: Cabinet Member for Strategic Planning and Commercial Strategy and Investments, and **Councillor Steve Allen:** Cabinet Member for Housing, Culture and Recreation

November 2019

Deadline date: November 2019

Cabinet portfolio holder: Responsible Director:	Councillor Peter Hiller, Cabinet Member for Strategic Planning and Commercial Strategy and Investment, and Councillor Steve Allen, Cabinet Member for Housing, Culture and Recreation Peter Carpenter: Acting Corporate Director of Resources
Is this a Key Decision?	NO
Is this decision eligible for call-in?	YES
Does this Public report have any annex that contains exempt information?	YES
Is this a project and if so has it been registered on Verto?	NO Verto number: N/A

R E C O M M E N D A T I O N S

The Cabinet Members are recommended to:

1. Approve the renewal of the current St Michael's Gate lease until such a time as the acquisition of the freehold has completed, to a value up to and including £499,999.
2. Approve the payment of any related professional fees of £1,950 + VAT.

1. PURPOSE OF THIS REPORT

- 1.1 This report is for Councillor Peter Hiller and Councillor Steve Allen to consider exercising delegated authority under paragraph 3.4.3 of Part 3 of the constitution in accordance with the terms of their portfolio at paragraph (q) and (b) respectively.

2. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
---	-----------	----------------------------------	------------

- 2.1 The current lease expired on 01 November 2019. Our lawyers have advised documenting a short term lease to cover the period between now and the completion of the acquisition. This is likely to be at least three months due to the complex ownership structure of the property.

3. BACKGROUND AND KEY ISSUES

- 3.1 A cabinet member decision notice was recently approved which supports the Council's strategy to purchase a development of 72 residential units which are used for temporary accommodation for the homeless. The Council currently leases these properties and to ensure that the Council's occupation is secure, a lease is now required to allow continuing occupation of the site, just until the acquisition completes.

4. CONSULTATION

- 4.1 The Council has been consulted about the purchase of the site however governance is also required concerning a short term lease which supports the decision to acquire the site.

5. ANTICIPATED OUTCOMES OR IMPACT

- 5.1 The Council can continue to lease this property whilst the legal conveyance for the purchase is undertaken.

6. REASON FOR THE RECOMMENDATION

- 6.1 In order to retain secure and legal occupation of this housing used for temporary accommodation.

7. ALTERNATIVE OPTIONS CONSIDERED

- 7.1 The Council could wait until the acquisition completes without a lease, however our lawyers have advised against this as the Council could be evicted with immediate effect.

8. IMPLICATIONS

Financial Implications

- 8.1 The Council will continue to pay the passing rent of £960k + VAT per annum between now and legal completion of the purchase (approved under a separate paper).

Legal Implications

- 8.2 The Council will not be able to be evicted by the landlord once this lease has been signed and completed.

Equalities Implications

- 8.3 None applicable.

9. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED

- 9.1 None.

10. BACKGROUND DOCUMENTS

- 10.1 [Authority for the acquisition of housing for temporary accommodation - OCT19/CMDN/45](#)

11. APPENDICES

- 11.1 None.