

RECORD OF EXECUTIVE DECISION

Wednesday, 6 February 2013

Decision No: (CAB 12/13 9693)

DECISION-MAKER:	SENIOR MANAGER PROPERTY PROCUREMENT AND CONTRACT MANAGER
PORTFOLIO AREA:	RESOURCES
SUBJECT:	*SOUTHBROOK RISE OFFICES - DILAPIDATIONS SETTLEMENT
AUTHOR:	David Reece

THE DECISION

To approve payment of the terminal dilapidations liability to the landlord following surrender of the Southbrook Rise lease, as set out in the Confidential Appendix.

REASONS FOR THE DECISION

It is a contractual requirement under the lease terms for the council to keep and yield up the premises in good and tenable repair and condition, subject to specific exceptions outlined in paragraph 6 below. The council vacated the premises without carrying out reinstatement, repairs, and redecorations resulting in a dilapidations liability. All this is in line with normal commercial practice between landlord and tenant where it is not unusual for tenants to vacate the premises at the end of their lease in need of outstanding repairs and reinstatements.

DETAILS OF ANY ALTERNATIVE OPTIONS

1. The Council undertake works directly - although this was considered in some detail it was felt that the consequent and costly delays to the ASAP project would rule this out. Now that the council no longer has a legal interest in the property this is not feasible.
2. Seek payment into an escrow account held to the joint order of landlord and the council so that the council can be 100% assured that the monies can only be used 100% for the intended purpose, and not be held back for something else, and not for betterment of the property. This is not necessary as the landlord's clear intention is to undertake the repairs, redecorations and reinstatement works as soon as they have access to the dilapidations damages. There is no known precedent for dilapidations payments into an escrow account and would be likely to significantly delay a settlement
3. If the Council does not settle this claim an application will be made to Court by the Landlord and costs would increase including landlord's fees and costs plus increased interest payments.

OTHER RELEVANT MATTERS CONCERNING THE DECISION

None

CONFLICTS OF INTEREST

None

CONFIRMED AS A TRUE RECORD

We certify that the decision this document records was made in accordance with the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 and is a true and accurate record of that decision.

Date: 6 February 2013

Decision Maker:
Senior Manager Property Procurement &
Contract Manager

Proper Officer:
Ed Grimshaw

SCRUTINY

Note: This decision will come in to force at the expiry of 5 working days from the date of publication subject to any review under the Council's Scrutiny "Call-In" provisions.

Call-In Period expires on

Date of Call-in *(if applicable) (this suspends implementation)*

Call-in Procedure completed *(if applicable)*

Call-in heard by *(if applicable)*

Results of Call-in *(if applicable)*