

## RECORD OF EXECUTIVE DECISION

Monday, 15 November 2021

**Decision No:** (CAB 21/22 32672)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	Cabinet Member for Growth
SUBJECT:	Toys R Us Site Commercial Terms*
AUTHOR:	Tina Dyer-Slade

### THE DECISION

- (i) That the commercial & financial terms and related recommendations set out in confidential Appendix 1 be agreed by Cabinet.
- (ii) Following consultation with the Deputy Leader who is the Cabinet Member for Growth and Executive Director of Finance and Commercialisation, that the Executive Director of Place be given delegated authority to finalise the detailed terms of this transaction.
- (iii) Following consultation with the Executive Directors of Finance, Commercialisation and Place, that the Director of Legal & Business Operations be given delegated authority to enter into any commercial agreements required to facilitate this transaction and any other legal documentation related to the proposed scheme (the Council acting in its capacity as a landowner).
- (iv) Approve the removal of the Former Toys R Us Site Redevelopment project from the Growth portfolio in the capital programme. This is a reduction of £0.25M in 2021/22 and £26.70M in 2022/23 as this is now being funded by the developer.

### REASONS FOR THE DECISION

1. As freehold landowner, the Council wishes to see the strategically important former Toys R Us site (identified on the Plan at Appendix 3) redeveloped for a mix of uses consistent with its ambitions for the City Centre.
2. Delivering the desired outcomes will necessitate changes to existing tenure arrangements, including extension of the current ground lease, to enable the proposed scheme to be funded by the developer.

**DETAILS OF ANY ALTERNATIVE OPTIONS**

1. Do nothing – the existing lease has insufficient years remaining to secure development funding for a scheme of the scale now proposed. If no lease or development agreement is approved, the current leaseholder will need to re-use the existing building on site to re-let it for a retail use. This would not achieve the Council’s own regeneration objectives for the site nor support delivery of new homes and improvements to public realm. The redevelopment of this site is likely to be the first major development project within the proposed Mayflower Quarter Masterplan area and will help to act as a catalyst for further regeneration in the City.
2. Sell the Council’s freehold interest – this would sub-optimize long-term returns, deny the Council substantive influence over redevelopment of this key site and risk a scheme coming forward which failed to deliver on key city vision objectives.
3. Council buy out head-lease and develop the site itself – It is unlikely the head-lessee would be willing to sell its interest at the current time. If it was to sell the interest, this would involve significant (unbudgeted) capital expenditure and substantial project resources that the Council does not have. It is therefore considered preferable to work with a willing partner/investor using the Council’s influence as landowner and planning authority, to deliver a scheme consistent with its corporate and social priorities.

**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: 15<sup>th</sup> November, 2021

Decision Maker:  
The Cabinet

Proper Officer:  
Judy Cordell

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)*