

Individual Mayoral Decision Proforma

Decision Log No: 187



TOWER HAMLETS

Report of: Acting Corporate Director, Place

Classification:
Partially Exempt

Commercial Lease Guarantee – Tower Hamlets Homes

Is this a Key Decision?	No
Decision Notice Publication Date:	NA
General Exception or Urgency Notice published?	NA
Restrictions:	The appendices are exempt under paragraph 3 of Schedule 12A of the Local Government Act 1972.
Reason for seeking an Individual Mayoral Decision	<p>There is no provision in the scheme of delegation for the Council to act as a guarantor so this would need executive Mayor authority.</p> <p>The new landlord has offered Tower Hamlets Homes Limited ('THH') a new lease from the 1st May 2019 to the end of November 2019. THH advises that the decision is time critical and the deadline for the decision is therefore immediate. The lease documents are now agreed and need to be signed without undue delay. The matter cannot wait until the next scheduled Cabinet meeting.</p>

EXECUTIVE SUMMARY

- 1.1. THH entered into a sublease dated 30th August 2018 from GE Capital Equipment Finance Ltd ('the sublease')
- 1.2. Given that THH is a wholly owned company of the Council and as THH relies on the Council for financial support through the annual management fee the landlord required the Council to act as guarantor under the sublease.
- 1.3. Following an Individual Mayoral Decision on 15th June 2018 the Council entered into the sublease as guarantor.
- 1.4. On 18th October 2018 the new landlord of Boatman House (Boatman House Limited ('the Landlord')) served THH with notice terminating the sublease on the 30th April 2019.

- 1.5. The Landlord has offered THH a new lease from 1st May 2019 to the end of November 2019 at a rental of £427,815 per annum subject to one month rent free and a mutual break exercisable by either the landlord or the tenant.
- 1.6. The Landlord requires the Council to act as a guarantor.
- 1.7. The lease documents are now agreed and need to be signed without undue delay. The matter cannot wait until the next scheduled Cabinet meeting.

DECISION

The Mayor is recommended to:

- a) Agree for the Council to act as guarantor for THH under the new proposed short term commercial lease for office accommodation at Boatman House and;
- b) Delegate to the Chief Executive, following consultation with the Corporate Director, Place and the Corporate Director Governance and Monitoring Officer, the authority to enter into the Lease and any other documents to give effect to the above decision.

APPROVALS

1. **(If applicable) Corporate Director proposing the decision or his/her deputy**

I approve the attached report and proposed decision above for submission to the Mayor. I confirm that the Mayor and/or Lead Member have agreed to this decision being taken using this process.

Signed *V. Clark* Date ...3/4/19

2. **Chief Finance Officer or his/her deputy**

I have been consulted on the content of the attached report which includes my comments.

Signed *Shirley White* Date ...9/4/19...

3. **Monitoring Officer or his/her deputy**

I have been consulted on the content of the attached report which includes my comments.

(For Key Decision only – delete as applicable)

I confirm that this decision:-

- ~~(a) has been published in advance on the Council's Forward Plan OR~~
- (b) is urgent and subject to the 'General Exception' or 'Special Urgency' provision at paragraph 18 or 19 respectively of the Access to

Information Procedure Rules.

Signed  Date 15 April 2019

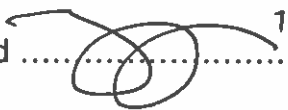
4. Chief Executive

I have been consulted on the content of the attached report which includes my comments where necessary.

Signed  Date 10th April 2019

5. Mayor

I agree the decision proposed in the recommendations above for the reasons set out in paragraphs 1.1 and 1.2 in the attached report.

Signed  Date 17/4/19..

