

**Timeline for former Palms shop letting**

April 2010 – Corporate Property were notified informally Palms Delicatessen Limited were entering into liquidation.

June 2010 In house marketing of the unit commenced and an early offer from the tenant who runs Chocology was received. This offer was to continue trading the shop as a delicatessen. This offer was rejected as a more thorough marketing process was required in order to achieve best consideration for the Council.

June 2010 – OCC took back formal possession of the property.

July 2010 – CMTA began to use the window spaces for display of tenant goods. This occurred for 5 months.

October 2010 - Marriotts were appointed as independent letting agents to act for the Council.

November 2010 – Temporary letting commenced to the Calendar Club for the Christmas period whilst marketing continued.

February 2011 – CMTA began using the window space again for displays following the temporary Christmas letting.

March 2011 – Offer received from Macs-amilion for unit to be used as a Foot clinic, negotiations were advanced when the tenant withdrew their offer and stated they did not wish to proceed.

April 2011 - A round up of enquires at this stage showed that of the enquires received many were not good quality and many were unsuitable due to the restrictive user constraints within the leasing strategy. Investigations were made into splitting the unit but this was not assessed to be cost effective or practical.

June 2011 – Offer received from Cards Galore. Internal approval to the letting was given 24 June 2011. This offer was then progressed by solicitors.

November 2011 - Asbestos was found to be present in the property and so this caused delay to the completion of the lease. Therefore additional approval was granted to change the original terms to reflect the delays caused by the asbestos works and associated loss of Christmas trading.

November 2011 – Asbestos removal completed at the end of November.

December 2011 – Completion of lease to Cards Galore.

February 2012 – Queries commenced with regards to how the letting fits in with the Leasing Strategy.

## **Summary**

In summary, 42 enquiries were made and those that did not comply with the leasing strategy were not considered. All but two of those enquiries were for uses that were considered not to be compliant with the leasing strategy, and as a consequence were not pursued further. Of the two that remained, one was from Cards Galore and the other was discounted as not offering the best consideration. The Council has a statutory obligation to obtain best consideration in accordance with section 123 of the Local Government Act 1972.

The negotiations on a lease were therefore taken forward with Cards Galore and other factors which were considered when agreeing to the lease included;

- The tenant's financial standing.
- The sale of cards and related gift items were not fully represented in the Market at the time.
- The strategy's comment that "A further shift towards non food uses, say up to 60%", is mentioned as acceptable.
- The strategy's wording in respect of National Chains is as follows;  
"Applications for change of use where the lease is to be assigned to a high street multiple will not generally be permitted unless there is a real and positive benefit to the balance of trades / diversity"

Therefore in light of the above, national chains are not precluded and the view was taken that Cards Galore would indeed add to the diversity of the market.

There was also a similar decision made when Timpsons took a lease in the Market. Timpsons added to the diversity of trades and brought in a trade not already fully represented.