

Extraordinary Council Meeting on 14 January 2016

Supplementary Officer Advice on the Conditional Agreement for Lease Dated 4 May 2011

The District Council entered into a Conditional Agreement for Lease with GMI Holbeck Land (Malton) Limited (Buyer) and GMI Construction Group PLC and Holbeck Land Limited (Guarantor) Dated 4 May 2011 relating to part of Wentworth Street Car Park, Malton.

The Conditional Agreement for Lease contained 7 conditions, 6 of which were to be satisfied by the Buyer and one to be satisfied by the Council.

These are :-

- 1 Buyer obtaining the Grant of Satisfactory Planning Permission,
- 2 Buyer satisfying Ground Investigation Condition,
- 3 Buyer delivering Buyers Plans,
- 4 Buyer delivering Programme of Works,
- 5 Buyer completing a Letting Agreement or Letting Agreements,
- 6 Buyer entering into the Highways Agreement;
- 7 Council securing Vacant Possession of the Property.

The conditions to be satisfied by the Buyer had an ultimate date for satisfaction of the 4 May 2015, known as the Longstop Date in the Conditional Agreement for Lease.

Council Officers have been in correspondence with representatives of GMI Holbeck Land (Malton) Limited to try and establish their intention in relation to the fulfilment of their contractual obligations.

The Conditional Agreement for Lease provides that in the event that the Buyer does not satisfy any of the Conditions 1-6 then the Council may serve notice to terminate.

Members may recall that at a Policy and Resources meeting of this Council on 24 September 2015 and subsequent Council Meeting on 8 October 2015 Members considered a Notice on Motion from 2 Members of Council that the Conditional Agreement for Lease be not renewed. An Officer report to the Policy and Resources Committee contained an analysis of the risks to the Council of terminating the Conditional Agreement for Lease.

The Officer recommendation is that the Council terminates the Conditional Agreement for Lease dated 4 May 2011 and between the Council and GMI Holbeck Land (Malton) Limited.