

Resources Department  
Town Hall, Upper Street

Report of: Director of Law and Governance and Monitoring Officer

Meeting of: Executive

Date: 5 September 2024

Ward(s): All

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## Subject: Monitoring Report September 2024

### 1. Synopsis

- 1.1 Paragraph 7.10 in the Part 3 of the Council's Constitution authorises Corporate Directors to take decisions that would ordinarily be reserved to the Executive, where the matter is urgent and delay would seriously prejudice the interest of the Council or of the public.
- 1.2 Paragraph 7.11 in Part 3 of the Council's Constitution requires that any decisions made under the above provisions are reported to the next meeting of the Executive. Procedure Rule 68 also requires that the Proper Officer reports to the council on those occasions on which either the call-in provisions were waived or a key decision was taken which had not appeared in the Forward Plan or five clear working days notice had not been given.
- 1.3 The Corporate Director Community Wealth Building, made a decision using the urgency procedures on 'Old Street lease surrender' on 25 July 2024. The five clear working days' notice was not achieved and the decision was not available for call-in, nor was it possible to publish the 28 day statutory notice of the Council's intention to take the decision.
- 1.4 The decision was considered urgent for the following reasons:  
  
The Council owns two office blocks on Old Street that have been let on commercial terms for many years, providing managed office space to sub-tenants. The principal leaseholder for 45 and 69 Old Street has notified the Council that it

intended to surrender its leases. The leaseholder had agreed to surrender the leases in an orderly way including a surrender payment and supporting the transfer of existing sub-tenants to help the council retain a proportion of the rental income. If the Council did not accept the surrender of the leases, the principal leaseholder stated it would place the company which holds the leases into administration promptly. If the company went into administration, the rent paid by the sub-tenants would be paid to the Administrator and, as the company that holds the leases has no assets, the Council would have had to enter a potentially protracted legal process as an unsecured creditor to receive any of the income and would have been unable to recover any costs incurred. Due to these circumstances, the urgency decision to accept the surrender of the leases and the proposed successor arrangements was made.

- 1.5 It was therefore not possible for the 28 day statutory notice to be issued, or for this decision to wait for a future meeting of the Executive and the urgency provisions in the Constitution were therefore used to ensure that the leases could be surrendered in a timely fashion.

## 2. Recommendation

- 2.1. To note the decision detailed in this report and the attached appendix.

## 3. Background

- 3.1. In accordance with the Constitution, the Chief Executive, Corporate Directors and Chief Finance Officer are authorised to take decisions where the matter is urgent. If the decision concerns an executive function, or it has not been possible to comply with the statutory notice period or call-in has been waived, the exercise of authority under that provision must be reported to the next available meeting of the Executive.

### **Old Street lease surrender**

- 3.2. The Corporate Director Community Wealth Building took the decision using the general exception procedures in accordance with paragraph 7.10 in Part 3 of the Constitution.
- 3.3. Decisions were made on the following recommendation and are notified to the Executive for information:

“To authorise accepting the lease surrenders for both 45 and 69 Old Street and finalising the arrangements with the lessee regarding all payments and the sub-lease holders”

- 3.4. The relevant report is published on the website at this link: [Issue details - Old Street Lease Surrender | Democracy in Islington](#) and is attached to this report as an Appendix.

## 4. Implications

- 4.1.1. The implications are detailed within the attached appendix.

## 5. Conclusion and reasons for recommendations

- 5.1. To comply with the rules in the Council's Constitution, the Council is asked to note the decisions made using the urgency provisions and where it was not possible to publicise the decision for 28 days in advance.

### **Appendix:**

- Decision report: Old Street lease surrender (25 July 2024)

### **Background papers:**

- None

### **Final report clearance:**

Authorised by: Director of Law and Governance and Monitoring Officer

Date: 28 August 2024

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