

## **Overview & Scrutiny Committee – 9 September 2025**

### **Note: Regarding Deferral of Museum Storage Update**

- Approval to acquire Unit was made on 18<sup>th</sup> March and Legal Services were instructed shortly thereafter. The acquisition completed on 4<sup>th</sup> July 2025.
- Primarily, the delay was as a result of Legal taking longer than expected. There have been capacity issues in Legal Services and the Property Solicitor was also Interim Legal Manager & Deputy Monitoring Officer covering for a member of staff on Maternity leave.
- Further delays were due to holidays on both the vendor's and purchaser's side.
- The purchase required dealing with the immediate landlord, City Electrical Factors, to obtain consent for the assignment of the long lease being acquired from Certs Assured Holdings Ltd, who were in administration. Corresponding with the immediate landlord (City Electrical Factors) took longer to ascertain the right person to contact and once that was achieved delays in them instructing their solicitors to issue a Licence to Assign.
- A further delay was caused due to problems with Certs Assured Holdings Ltd option to tax. Unit 2 City Park was the first property they acquired. When they subsequently purchased Unit 1 in 2021, they also opted to tax this unit under the same VAT number. However, the Option to Tax Unit 1 had not been completed properly. The subtenant, Citysprint, had been charged VAT on the rent and Certs Assured Holdings Ltd had been submitting this HMRC. The matter was discussed with HMRC, and they accepted that it was an administrative error, and the administrator of Certs Assured Holdings Ltd were then invited to resubmit an application to rectify the situation. Confirmation from HMRC was then needed that everything was in order. This was important as the acquisition was dealt with as a Transfer of a Going Concern which meant that the Council did not have to pay VAT on the sale price and more importantly stamp duty on the VAT element. There was also a charge on the property in favour of Lloyds Bank which needed to be removed on completion of the transaction.
- The final delay, which took 2-3 weeks, was from errors in the completion statement by the vendor's solicitor.
- By the time the acquisition went through, the school summer holidays were then upon us and both forming and then scheduling the initial board meeting amongst everyone's individual availability was not possible until September.