

RELEVANT INFORMATION FOR COUNCIL

FILE: S122357 **DATE:** 21 November 2016
TO: Lord Mayor and Councillors
FROM: Bill Carter, Chief Financial Officer
THROUGH: Monica Barone, Chief Executive Officer
SUBJECT: Information Relevant To Item 6.2 - 2016/17 Quarter 1 Review – Delivery Program 2014-2017

That the Lord Mayor and Councillors note the information contained in this memo.

Background

As part of the 2016/17 Quarter 1 Review – Delivery Program 2014-2017, further information was requested (at the meeting of the Corporate, Finance, Properties and Tenders Committee meeting held on 14 November) on the item listed below.

Item 1 - Clause (B) of the Recommendation: Further information was requested in relation to the bad debt write-off recommendation, in particular, the nature of the design review which led to the decision not to install the new carpet as allowed for within the lease agreement.

Response

As stated in the Quarter 1 report (paragraph 15), the deed for lease of the Wilcox Mofflin Building in Ultimo included a number of undertakings from the City, including the installation of carpet consistent with the lessee's requirements.

During the fitout of their premises, the lessee made a design decision that they did not require the installation of carpet for their business, as the premises design features hard floor surfaces including exposed concrete flooring, vinyl and timber floorboards.

Changes to lease agreement undertakings are not uncommon, however, the City's legal advice is that the lessee is entitled to a rebate for these works that did not proceed, which accords with the recommendation within the report.

Bill Carter, Chief Financial Officer

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Approved


Monica Barone, Chief Executive Officer