



CABINET MEMBER DECISION

Decision:

That approval is granted for the Council to enter into a new lease with *Peter's Motor Group (PMG)* for a period of seven years from the expiry of the existing lease on the 15th March 2015.

(1) Details of Decision

To seek approval to the grant of a new lease for a seven year period of time for Unit 1, Anniversary House, Graham Hill Way, Bourne.

(2) Considerations/Evidence

The tenant is currently holding over under the terms of an expired lease which can not continue indefinitely. A new lease for a term of seven years is a greater term than usually granted for an industrial unit within Anniversary House, Graham Hill Way, Bourne. The proposed lease will contain the standard terms for a lease of an industrial unit and will include a rent review on the third and sixth anniversary of the grant of the lease and the proposed break. The Executive Manager, Property has delegated authority to grant short term leases (less than seven years). Authority by means of non-key decision has been sought as the lease is for a term of seven years which is registerable at the land registry and is not considered a short term lease.

(3) Reasons for Decision:

The industrial site which is owned by this Council has six units located at Anniversary House, Graham Hill Way, Bourne, with most let to small local companies.

The tenant was granted a lease on the 15th March 2012 for a term of three years and has remained in occupancy since the expiry of the lease on 15th March 2015 whilst new lease terms have been renegotiated.

Lengthy discussions have taken place between our managing agents and the tenant, to agree new lease terms and PMG have expressed a wish to renew their lease for a 7 year period. This will continue to bring a regular long term income into the Council's general fund portfolio.

There have been no management issues arising during the period of the original lease and the tenant has not been in arrears during this period.

The unit will continue to be used as a small automotive services/repairs workshop.

The proposed lease will contain a mutual option for either party to determine the lease on the 4th anniversary of the term, giving no less than 6 months prior written notice.

The tenant will be responsible for the full repair, maintenance and decoration of the entire demise. The insurance is to be effected by the landlord and recoverable from the tenant within the service charge. Rent, insurance and service charges are subject to VAT. Rent reviews would be due on 3rd and 6th anniversary of the term

The service charge is payable by the tenant for the upkeep and maintenance of the common parts and shared areas facilities.

The property has continued to generate revenue income for the Council and is not regarded as being surplus to requirements. It is considered that there is still a demand for industrial units of this type in the area.

Should authority not be granted, the tenant will seek alternative premises and the unit will become empty which will result in a loss of income during the marketing process to secure a new tenant and the cost of the marketing itself. SKDC will also be responsible for the cyclical maintenance and upkeep of the unit along with business rates and insurance.

Conflicts of Interest

(Any conflict of interest declared by any other Cabinet Member consulted in relation to the decision to be recorded).

NONE

Dispensations

(Any dispensation granted by the Monitoring Officer in respect of any declared conflict of interest to be noted).

NONE

Decision taken by:

Name: Councillor Kelham Cooke
Deputy Leader also Cabinet Member for Business Transformation and Commissioning

Date of Decision: 17 July 2017

Date of Publication of Record of Decision: 18 July 2017

Date decision effective (i.e. 5 days after the date of publication of record of decision unless subject to call-in by the Chairman of an Overview and Scrutiny Committee or any 5 members of the Council from any political groups):

26 July 2017