



SOUTH
KESTEVEN
DISTRICT
COUNCIL

Officer Delegated Decision

12 May 2026

Richard Wyles – Deputy Chief
Executive & S151 Officer

Lease at Unit 2, The Picture House, St Catherine's Road, Grantham

Approve the authority to grant a new lease at Unit 2, The Picture House, St Catherine's Road, Grantham.

Contact

Gyles Teasdale – Head of Property Services & ICT

✉ g.teasdale@southkesteven.gov.uk

Decision made by:	Richard Wyles – Deputy Chief Executive & S151 Officer
Decision:	Approve the authority to grant a new lease at Unit 2, The Picture House, St Catherine's Road, Grantham. The last day for call-in for this decision would be 19 May 2026.
Public or Exempt:	This report is not exempt from publication; however, appendix 1 – Heads of Terms is exempt from publication
Reasons for exemption:	The public interest in maintaining the exemption in appendix 1 outweighs the public interest in disclosing the information because it contains financial information relating to confidential negotiations with a third party. The Council must be able to undertake such negotiations without putting confidential items in the public domain if it is to maintain the confidence of third parties.
Conflicts of interest:	No
Policy compliant:	Yes
Details of delegation:	In accordance with the Constitution, Part 3(c) Paragraph 26 (Property, including land) (h) - <i>To ensure that any lease, agreement or letting where the total value over the</i>

period exceeds £100,000 is supported by an independent valuation and undertaken in consultation with the Cabinet Member for Property.

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance

- 1.1 There are positive financial implications should this lease be entered into by securing a rental return for the Council over the duration of the lease period. The occupancy of the unit is a positive achievement as the unit has been unoccupied since its construction in 2019.

Completed by: Richard Wyles, Deputy Chief Executive and s151 Officer

Legal and Governance

- 1.2 The decision has been advertised on the Forward Plan of Key Decisions for more than 5 working days. As less than 28 days' notice was given for the decision, a 'General Exception Notice' was published and can be seen at the link below:

<https://southkesteven.moderngov.co.uk/ecSDDisplay.aspx?NAME=SD468&ID=468&RPID=28801288>

Provided he has consulted with the Cabinet Member, the Deputy Chief Executive has the authority to take this decision.

Completed by: James Welbourn, Democratic Services Manager

2. The Purpose of the Report

- 2.1 The purpose of the report is to approve the authority to grant a new lease at Unit 2, The Picture House, St Catherine's Road, Grantham.

3. Available Options Considered

- 3.1 To grant the new lease at Unit 2 The Picture House, St Catherines Road, Grantham in line with the Heads of Terms enclosed in **EXEMPT Appendix 1 – Heads of Terms** both would be beneficial to the Council.

- 3.2 Should a lease not be granted the Council would remain liable for the costs associated with the vacant property along with a continued responsibility for the cost associated with further marketing fees to locate a new tenant and any further additional costs following the collapse of the previous lease negotiations during legal stages.
- 3.3 Reject the proposed lease offer and continue to seek alternative interest from the existing retail market, with the Council holding any associated financial burden in the interim. This is not proposed as a suitable option as there has been limited interest in the space since its construction in 2019.

4. Preferred Option

- 4.1 To grant the new lease at Unit 2 The Picture House, St Catherines Road, Grantham in line with the Heads of Terms enclosed in **EXEMPT Appendix 1 – Heads of Terms** both would be beneficial to the Council.

5. Reasons for the Decision(s)

- 5.1 The tenant has viewed the unit with the Council's managing agent Eddisons and requested a lease for Unit 2 of The Picture House as shown in **EXEMPT Appendix 1 – Heads of Terms**.
- 5.2 The tenant currently runs an established Care Services organisations and is looking to expand their facilities to larger premises for use as an office, a use falling within Class E of the Town and Country Planning (Use Classes) Order 1987 (as amended 2020).
- 5.3 Our managing agent has conducted the necessary due diligence of the Tenant and their financial status on behalf of the Council to ensure they are a suitable candidate for the lease of Unit 2 The Picture House.
- 5.4 The lease will be outside of the security of tenure and compensation provisions contained within Part II of the Landlord and Tenant Act 1954.
- 5.5 The tenant will be responsible for the full internal repair, maintenance, and decoration of the entire demise outlined in Appendix 2 – Lease Plan
- 5.6 The tenant will be carrying out the necessary fit out works to the property as since the building's construction, the unit has been left in shell form to remain flexible to the incoming tenant's requirements.
- 5.7 A rent deposit will be held by the landlord and reimbursed at the end of the term providing the tenant has complied fully on the obligations as set out in the lease.

- 5.8 The service charge is payable by the tenant for the upkeep and maintenance of the common parts and shared area facilities.
- 5.9 Consultation was carried out via public marketing of the premises online via SKDC's estates agent (Eddisons incorporating Banks Long & Co.)
- 5.10 Each party is to be responsible for their own legal costs in documenting this transaction.

6. Appendices

- 6.1 EXEMPT Appendix 1 - Heads of Terms
- 6.2 Appendix 2 – Lease Plan

Signed by: Richard Wyles, Deputy Chief Executive
