



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

Officer Delegated Decision

10th May 2024

Richard Wyles – Deputy Chief
Executive & S151 Officer



New Lease at Unit 5 Wherry’s Lane, Bourne

To approve and grant the new lease for a period of 5 years at Unit 5 Wherry’s Lane, Bourne.

Contact

Lianne Smith - Compliance & Data Officer

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Decision made by:	Richard Wyles – Deputy Chief Executive & S151 Officer
Decision:	To grant the new lease for a period of five years for Unit 5 Wherry’s Lane, Bourne
Public or Exempt:	This report is not exempt from publication; however, appendix 1 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 and the Council must be able to undertake such negotiations without thereby putting confidential items in the public domain if it is to maintain the confidence of third parties in undertaking dealings with the Council
Conflicts of interest:	No
Policy compliant:	Yes
Details of delegation:	In accordance with the Constitution, Part 26 Property (including land) paragraph (f) the Deputy Chief Executive & S151 Officer is authorised to arrange short term (up to seven years) lettings of land and property not immediately required for other purposes at rent/licenses fees fixed by the Section 151 Officer

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 The financial implications of this report are contained within budgeted levels.

Completed by: Paul Sutton, Interim Head of Finance

Legal and Governance

1.2 The Deputy Chief Executive has the authority to arrange short term lettings of up to seven years. As Section 151 Officer he also has the authority to fix the amount of rent payable.

Completed by: James Welbourn – Democratic Services Manager & Deputy Monitoring Officer

2. The Purpose of the Report

2.1 The purpose of the report is to authorise the new lease for a five-year period for Unit 5 Wherry's Lane, Bourne

3. Available Options Considered

3.1 To grant the new lease at Unit 5 Wherry's Lane, Bourne, in line with the Heads of Terms enclosed in ***EXEMPT Appendix 1 – Heads of Terms***.

3.2 To not grant the lease would not benefit SKDC. SKDC would continue to be responsible for the cost for marketing fees to locate a new tenant and any further costs associated with the void period this including the service charge demanded for the area.

4. Preferred Option

4.1 - To grant the new lease at Unit 5 Wherry's Lane, Bourne in line with the Heads of Terms enclosed in ***EXEMPT Appendix 1 – Heads of Terms***.

5. Reasons for the Decision(s)

- 5.1 The retail unit which is owned by this Council has seven units located at Wherry's Lane, with most let to small local companies.
- 5.2 The tenant has viewed the unit with the managing agent and requested a lease term of five years for Unit 5 Wherry's Lane, Bourne as shown in **EXEMPT Appendix 1 – Heads of Terms**.
- 5.3 Our managing agent has conducted the necessary checks on the proposed tenant SKDC agreed they are a suitable candidate for the lease of Unit 5 Wherry's Lane, Bourne.
- 5.4 The lease will be contracted outside the security of tenure provisions under sections 24 – 28 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. The insurance is to be effected by the Landlord and recoverable from the tenant. Rent, insurance and service charges are subject to VAT.
- 5.6 The tenant will be provided a five-month rent free period to carryout necessary works to the property. The inclusion of 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.
- 5.7 A mutual break is set on the third anniversary of the term.
- 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 Should authority not be granted by SKDC, the unit will remain empty which will continue in the 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 maintenance and upkeep of the unit along with business rates and insurance.
- 5.10 The premises will be used for purposes only falling within Class E (g) (iii) (Industrial Processes) of the Town and Country Planning (Use Classes) Order 1987 (as amended 2020).

6. Appendices

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

Signed by: **Richard Wyles**

Dated: **10 May 2024**