



**SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL**

# Officer Delegated Decision

27<sup>th</sup> November 2024

Richard Wyles – Deputy Chief  
Executive & S151 Officer



## Extension of Lease at Units 3, Alpha Court, Kingsley Road, Lincoln, LN6 3TA

To approve the grant of an extension of lease for Unit 3 Alpha Court, Kingsley Road, Lincoln, LN6 3TA.

### Contact

Gyles Teasdale – Head of Property Services & ICT

 [g.teasdale@southkesteven.gov.uk](mailto:g.teasdale@southkesteven.gov.uk)

<b>Decision made by:</b>	Richard Wyles – Deputy Chief Executive & S151 Officer
<b>Decision:</b>	To approve the grant of an extension of lease for Unit 3 Alpha Court, Kingsley Road, Lincoln, LN6 3TA.
<b>Public or Exempt:</b>	This report is not exempt from publication; however, Appendix 1 is exempt from publication
<b>Reasons for exemption:</b>	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
<b>Conflicts of interest:</b>	No
<b>Policy compliant:</b>	Yes
<b>Details of delegation:</b>	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.
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## 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 extension of the current lease and notice essentially given by the tenant of their intention to leave will allow the Council to market the property and avoid or minimise any void period and thus loss of income.

Completed by: Paul Sutton Interim Head of Finance (Deputy s151)

### ***Legal and Governance***

- 1.2 The proposed transaction does not appear to raise any significant legal issues of concern. The transaction will be subject to normal property legal due diligence and the drafting, agreement and negotiation of formal legal documentation between the parties.

Completed by: Mandy Braithwaite, Legal Executive

## 2. The Purpose of the Report

- 2.1 To approve the grant of an extension of lease for Unit 3 Alpha Court, Kingsley Road, Lincoln, LN6 3TA.

## 3. Available Options Considered

- 3.1 Option 1 - To approve the grant of an extension of lease for Unit 3 Alpha Court, Kingsley Road, Lincoln, in line with the Heads of Terms enclosed in ***EXEMPT Appendix 1 – Heads of Terms***.
- 3.2 Option 2 – Look to renegotiate the existing lease terms and accept a surrender of the tenants existing leases and to grant new leases, in order to extend the existing leases for the foreseeable future. This option was explored with the tenant but the tenant no longer wishes to remain in the existing premises past the expiration of the proposed lease extension this report is seeking authority for.

3.3 Option 3 - To leave the leases on their existing terms and allow the lease to expire in 2025.

#### **4. Preferred Option**

4.1 Option 1 - To approve the grant of an extension of lease for Unit 3 Alpha Court, Kingsley Road, Lincoln, in line with the Heads of Terms enclosed in **EXEMPT Appendix 1 – Heads of Terms**.

#### **5. Reasons for the Decision(s)**

5.1 The properties at Alpha Court, Lincoln were purchased by the Council as property investments, let to the current tenants.

5.2 The tenant has been in occupation since March 2016 (Unit 3) and June 2017 (Unit 2), in which time the tenant has invested heavily in the buildings.

5.3 The buildings are let under separate leases, Unit 2 currently terminates in June 2026 and Unit 3 in August 2025. The Council has been approached by agents acting on behalf of the tenants Lenardo UK Ltd to re-negotiate the current leases.

5.4 However, the agents acting on behalf of the tenant have recently approached to advise the tenant will be looking to relocate to alternative location within the UK, requesting the extension of the lease of Unit 3 only at this time to bring to a coterminous end date of the 15<sup>th</sup> June 2026.

5.5 From the Council's perspective, should the properties become vacant at the end of the current leases, current market evidence of similar quality buildings suggests that there could be a void period which the Council would incur associated costs before a new tenant is identified.

5.6 Therefore, by extending the existing lease of Unit 3 the Council will have a longer period to market the premises prior to any potential vacancy.

#### **6. Appendices**

6.1 EXEMPT Appendix 1 - Heads of Terms

Signed by: **Richard Wyles**

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Dated: **27 November 2024**