

Record of officer decision

Decision title:	Agree dilapidations claim for Unit 3 Three Elms Trading Estate, Hereford
Date of decision:	20th November 2018
Decision maker:	Director Economy & Place
Authority for delegated decision:	Herefordshire Council's constitution - Scheme of Delegation Part 3 Functions Scheme, Section 7 Officer Functions 1. 3.7.6 Delegation to Chief Executive 2. 3.7.12 Sub delegation from Chief Exec to officers
Ward:	Bobblestock
Consultation:	None
Decision made:	Accept by formal deed compensation payment in lieu of final yielding up obligations under terms of lease from outgoing tenant (Wolseley UK Ltd)
Reasons for decision:	Property acquired as an investment asset to be let out on commercial terms that will include yielding up negotiations at the end of any tenancy agreement. Final payment (income to council) has been agreed with other party in accordance with tenancy terms. Other party have requested that agreement be captured as a deed.
Highlight any associated risks/finance/legal/equality considerations:	Asset owned as a commercial investment and let to a nationally recognized company. Standard practice for such commercial leases that parties agree a financial settlement in lieu of tenant completing all of their yielding up obligations. Agreeing to this settlement enabled an incoming tenant to take occupation for which the formal lease has been completed. Final settlement agreed in consultation with advice from legal & in-house building surveyor (having prepared a schedule of dilapidations) As this is a commercial transaction no equality issues are considered as being relevant. The financial value of the settlement is significantly below the £50,000 threshold for reporting & governance
Details of any alternative options considered and rejected:	Outgoing tenant has come to the end of their term and have undertaken all of the yielding up & dilapidations actions they can. The outstanding issues have been agreed within this dilapidations financial settlement and there was therefore no reasonable alternative.
Details of any declarations of interest made:	None