

Record of officer decision

Decision title:	Grant of new leases in respect of Units 2 & 3 Great Western Court, Ross on Wye
Date of decision:	20 August 2020
Decision maker:	Assistant Director Technical Services
Authority for delegated decision:	The Economy and Place Directorate's scheme of delegation dated 20.05. 2020 (line 54) gives the Assistant Director for Technical Services the authority to take the decision
Ward:	Ross East
Consultation:	None – this is an operational decision arising out of the management of the council's commercial property portfolio
Decision made:	To grant 2 new leases in respect of units 2 & 3 Great Western Court Ross to the existing tenant of unit 2
Reasons for decision:	<p>The property is owned by the council as part of its property investment portfolio held to deliver optimum commercial returns through rental income which is used to support the council's strategic objectives in line with the corporate plan 2016 – 2020.</p> <p>In early 2020 the council appointed Messrs JNA Property Ltd, Chartered Surveyors (JNA) under a contract for the provision of estates professional services including lease renewals.</p> <p>The contract was awarded in consultation with the procurement team and in line with the council's procurement rules and JNA have accordingly been instructed to negotiate terms for new leases of these units</p> <p>The tenant occupies unit 2 under an expired lease and wishes to take unit 3 which has been vacant since 2017 as their successful business is growing and they now have a need of urgent space.</p> <p>Granting a new lease for unit 3 in addition to a renewed lease on unit 2 will eliminate the holding costs which have been incurred whilst it has been vacant and increase the rental income stream identified at 1 above</p> <p>JNA have surveyed the properties, reviewed the level of market rents achievable in this location and made fully justified recommendations on terms for new leases</p> <p>Agreement subject to contract has been reached with the tenant providing for 2 new leases with terms of 6 years on full repairing terms and at a rent in line with current open market rents.</p>
Highlight any associated risks/finance/legal/equality considerations:	<p>Not proceeding will mean the void period on unit 3 is extended, holding costs will continue and no rental income will be realised. It would also mean that an existing tenant of the council is unable to continue to grow their successful business.</p> <p>To ensure the leases are properly documented the council's legal team will draft the leases incorporating the agreed heads of terms and its standard lease covenants for business premises</p>

Details of any alternative options considered and rejected:	None – the existing tenant of unit 2 has a statutory right to a new lease of that unit and not granting a lease of unit 3 is contrary to the objectives of the corporate plan
Details of any declarations of interest made:	None

Signed:
Assistant Director Technical Services

Date: 20 August 2020