

Record of officer decision

Decision title:	Decision to lease units 4 & 5 Three Elms Trading Estate to Third Eye Brew Company
Date of decision:	18 th May 2023
Decision maker:	Strategic Assets Delivery Director
Authority for delegated decision:	The Economy and Environment directorate Scheme of Delegation (03.08.2022) gives the Acting head of Property the authority to take this decision Line 54 To <i>negotiate and agree terms for the grant of leases, licences, tenancies, agreement for lease, development agreements and legal consents.</i>
Ward:	Bobblestock
Consultation:	None - this is an operational decision arising out of the management of the council's commercial property portfolio.
Decision made:	To grant a 3 year lease on commercial terms to Third Eye Brew Company Limited. Key terms:- <ul style="list-style-type: none"> • Full repairing and insuring terms (tenant reimburses Landlord's insurance costs) • Service Charge payable for external areas • Three months rent-free incentive over first 6 months of the lease in lieu of specified works to the units
Reasons for decision:	<ol style="list-style-type: none"> 1. The properties are 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 County Plan 2020 – 2024. 2. In 2022 the council appointed Messrs Bruton Knowles LLP, Chartered Surveyors (BK) under a contract for the marketing of vacant units across the industrial portfolio and the associated negotiation of new leases with potential new Tenants. 3. Accordingly BK were instructed to market units 4 & 5 Three Elms Trading Estate and to negotiate the terms of a new lease. 4. BK have inspected the properties, and reviewed the level of market rents achievable in this location and made justified recommendations on the terms of the lease and the level of rent to be negotiated 5. Provisional agreement, subject to formal approval, has been reached with the proposed Tenant for a new lease.
Highlight any associated risks/finance/legal/equality considerations:	This is a relatively new business, however as part of the letting process a guarantor has been established in case of breach by the Tenant – all terms of the proposed leases have been negotiated by the agents and reflect market conditions. The council's legal department will draft the lease.
Details of any alternative options considered and rejected:	None. The recommendation is made on the advice of the external letting agents and reflects current market conditions.

Details of any declarations of interest made:	N/A
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Signed..... Date: 18th May 2023
Strategic Assets Delivery Director

Please ensure that signatures are redacted before publishing.