

Record of operational decision

Decision title:	Grant of new leases in respect of various units held within the council's commercial property portfolio
Date of decision:	6 th July 2023
Decision maker:	Strategic Assets Delivery Director (Formerly Acting Head of Property)
Authority for delegated decision:	The Economy and Environment directorate Scheme of Delegation (16.06.2023) gives the Acting head of Property the authority to take this decision <i>Line 54 To negotiate and agree terms for the grant of leases, licences, tenancies, agreement for lease, development agreements and legal consents.</i>
Ward:	Countywide
Consultation:	This is an operational decision arising out of the management of the council's commercial property portfolio. Hereford Enterprise Zone have been consulted on the negotiations.
Decision made:	To grant a new leases in respect of various units held within the council's commercial investment property portfolio, as identified in Schedule 1, to the existing occupier on terms recommended by the council's appointed agents
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 2021 the council appointed Messrs JNA Property Ltd, Chartered Surveyors (JNA) under a contract for the provision of estates professional services including lease renewals and the negotiation of new leases where properties were occupied under Tenancies at Will or Licences. 3. The contract was awarded in consultation with the procurement team and in line with the council's procurement rules and accordingly JNA were instructed to negotiate the terms of a new lease with the existing occupier. 4. JNA have surveyed the properties, 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 current occupiers for a new lease.
Highlight any associated risks/finance/legal/equality considerations:	None – the terms of the proposed leases have been negotiated by the agents and reflect market conditions. The current occupier has complied with all the terms of the existing agreement that is in place. The council's legal department will draft the lease.
Details of any alternative options considered and rejected:	Allowing the occupiers to remain in occupation on the current terms – rejected as the terms of the current agreements may result in the council not receiving the optimal commercial return and/or leave the council exposed to liability for void property costs at short notice should the tenants vacate
Details of any declarations of interest made:	None

Signed..... Date: 6th July 2023

Print Name: Sarah Jowett

Job Title: Strategic Assets Delivery Director (Formerly Acting Head of Property)

Schedule 1

Unit	Town
403 Netherwood Road, Rotherwas Industrial Estate	Hereford
Units 16, 17, 18/19, 20, 21 and 22 Tarsmill Court, Rotherwas Industrial Estate	Hereford
Land at Coldnose Road, Rotherwas Industrial Estate	Hereford