

<b>Title of Report</b>	<b>INVESTMENT PROPERTY LEASEHOLD DISPOSALS</b>	
<b>Presented by</b>	Councillor Andrew Woodman Housing, Property and Customer Services Portfolio Holder  PH Briefed: Yes	
<b>Background Papers</b>		<b>Public Report:</b> Yes
		<b>Key Decision:</b> No
<b>Financial Implications</b>	Leasing out the Council's investment properties provides an income to the Council's general fund.	
	<b>Signed off by the Section 151 Officer:</b> Yes	
<b>Legal Implications</b>	The council's constitution requires all leases where the total income over the life of the tenancy is more than £30,000 to be approved by Cabinet.	
	<b>Signed off by the Monitoring Officer:</b> Yes	
<b>Staffing and Corporate Implications</b>	None	
	<b>Signed off by the Head of Paid Service:</b> Yes	
<b>Purpose of Report</b>	To seek Cabinet approval of six lettings of council owned commercial property in accordance with Section G2, 8.4 of the Constitution.	
<b>Reason for Decision</b>	To enable the letting of council commercial properties to proceed and rental income to be generated.	
<b>Recommendations</b>	<b>THAT CABINET APPROVE THE GRANT OF THE LEASES DETAILED IN TABLE 2.1.</b>	

## 1.0 BACKGROUND

The Council has a portfolio of investment properties that are rented out on a commercial basis to provide an income. The Council's Property Services Team manage this portfolio and are responsible for negotiating lease terms with prospective tenants. The current Constitution (following its recent revision) only provides authority to officers to grant leases where the total rental value does not exceed £30,000 over the life of the lease. Where the value of the rental stream over the life of the tenancy exceeds £30,000 Cabinet has reserved the power to approve the lease to itself.

## 2.0 CURRENT APPLICATIONS

Six applications for leases, detailed in table 2.1, are currently being processed where the total rental value for the term of each lease will exceed £30,000. The lettings are proposed to be carried out using the council's standard lease terms (prepared by NWL Legal Services) and at market rent (as determined by the council's valuer)

**Table 2.1**

<b>Property</b>	<b>Lease Term</b>	<b>Total rent for the term of the lease (subject to rent reviews)</b>
Unit 8 Marlborough Centre, Coalville, Leics. LE67	10 years	£130,000
24 Belvoir Road, Coalville, Leics. LE67 3PN	15 years	£127,200
Units 1 & 2 The Courtyard, Stenson Road, Coalville, Leics. LE67 4JP	15 years	£352,020
Units 7 & 9 The Courtyard, Stenson Road, Coalville, Leics. LE67 4JP	6 years	£112,104
Unit 6 Marquis Court, Moira, Derbys, DE12 6EJ	6 years	£111,000
Worthington Post Office, 76 St Matthews Avenue, Worthington, Leics. LE65 1SH	15 years	£90,000

## 3.0 FINANCIAL IMPLICATIONS

Should the above leases not proceed, the council will not generate income, the premises will remain vacant and additional holding costs will be incurred.

## 4.0 RECOMMENDATION

It is recommended that Cabinet agree to the grant of the leases set out in table 2.1 of the report.

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	Support for businesses and helping people into local jobs. A well run council
Policy Considerations:	Council Constitution – existing limits to delegated powers
Safeguarding:	N/A
Equalities/Diversity:	N/A
Customer Impact:	N/A
Economic and Social Impact:	Enable businesses to take up premises within the

	Council's estate.
Environment, Climate Change and Zero Carbon:	N/A
Consultation/Community/Tenant Engagement:	N/A
Risks:	When granting leases, the council needs to consider whether it is achieving best value in terms of rent achieved. To manage this risk the lettings recommended to council are at market rent (as certified by the council's valuer) and contain appropriate provisions for review of the rent during the term.
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