

Lease of commercial premises

- Summary: The report seeks approval from Cabinet to the proposed leasing of premises.
- Options considered: The alternative option would be not to approve the proposed lease. This would not be a recommended course of action as the property is held as an investment for income generation and the terms proposed are in accordance with the commercial property market.
- Conclusions: The proposed lease represents a market rent and terms along with meeting the requirements of the Asset Management Plan and Council's Corporate Plan and Priorities.
- Recommendations: **A resolution for Cabinet is sought to approve the lease terms as detailed in the exempt Appendix.**
- Reasons for Recommendations: The total value of the lease would be a key decision.

Cabinet Member(s) Cllr Greg Hayman	Ward(s) affected North Walsham
Contact Officer, telephone number and email: Renata Garfoot, Asset Strategy Manager. Tel: 01263 516086 Email: Renata.garfoot@north-norfolk.gov.uk	

1. Introduction

- 1.1 Cabinet agreed on the 7th September 2020 to acquire commercial property in the district and the terms have since been agreed subject to contract and valuation.
- 1.2 This report provides an update in the exempt appendix including information regarding a proposed lease for one of the units.

2. Proposed Lease

- 2.1 Details of the proposed lease terms can be found in the exempt Appendix, which are typical of a commercial lease for this type of property.

3. Conclusion

- 3.1 The proposed lease represents market terms and rent, along with meeting the requirements of the Asset Management Plan and Council's Corporate Plan and Priorities.

- 3.2 It is recommended to Cabinet to approve the proposed lease as described in section 2 of this exempt Appendix subject to completion of the acquisition of the unit and both legal and financial due diligence.

4. Implications and Risks

- 4.1 Legal due diligence will be undertaken through Eastlaw as part of the leasing process.
- 4.2 Completion of the lease will be subject to completing the acquisition of the property in the first instance, however officers will seek to keep the period time between the 2 transactions to a minimum.

5. Financial Implications and Risks

- 5.1 At a previous Cabinet meeting there was a request made for additional information around costings associated with the proposal and demand. Further information has been provided in the exempt appendix along with financial details of the proposed lease.
- 5.2 Usual risks apply around voids, rent arrears and dilapidations apply in connection with leasing property. This can be mitigated through active asset management.

6. Sustainability

- 6.1 The units will be constructed to meet the current requirements for energy performance and an Energy Performance Certificate will be provided. There is a requirement to reach a minimum rating of E when leasing commercial property.
- 6.2 The units will support the sustainability of the town and give businesses the opportunity to stay grown and stay within the town as demonstrated by this proposed lease.
- 6.3 The acquisition and lease supports the financial sustainability of the Council.

8. Equality and Diversity

- 8.1 There are no direct equality and diversity implications

9 Section 17 Crime and Disorder considerations

- 9.1 There are no Section 17 considerations