

RECORD OF DECISION MADE UNDER DELEGATED AUTHORITY

PART 1 – PUBLIC DOCUMENT

Any interest to declare/or conflict and any dispensation granted: not applicable

SERVICE DIRECTORATE: Commercial

1. DECISION TAKEN

1.1 To approve the rent review of Site 18 York Way, Royston with effect from 18th October 2016.

2. DECISION TAKER

2.1 Executive Member for Finance and IT.

3. DATE DECISION TAKEN:

3.1 3rd May 2019.

4. REASON FOR DECISION

4.1 To raise additional rental income to help fund North Hertfordshire District Council services.

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 There is an option to refer the rent review to Arbitration if agreement could not be settled between the Landlord and Tenant. This would require both parties to submit their proposals to the Arbitrator and involves additional costs. There is no certainty of the result.

6. CONSULTATION (INCLUDING THE EFFECT ON STAKEHOLDERS, PARTNERS AND THE PUBLIC)

6.1 None.

7. RELEVANT CONSIDERATIONS

7.1 North Hertfordshire District Council owns a number of investment properties including ground leases at York Way, Royston. The ground rents are subject to periodic reviews.

7.2 Site 18 York Way is let. Under the terms of the lease, the site is subject to a rent review with effect from 18th October 2016. The site comprises an industrial site of approximately 1.74 acres.

7.3 Following negotiations between the District Council's appointed Surveyor and the tenant's Surveyor, subject to formal written memorandum, terms were agreed to settle the ground rent with effect from 18th October 2016. The rent agreed is considered a reasonable increase over the passing rent.

- 7.4 Considering material factors, including the ground lease and site attributes, the District Council's appointed Surveyor is of the opinion the agreed rent represents the best reasonable rent achievable. The District Council's Senior Estates Surveyor supports this view and recommends acceptance of the new rent.

8. LEGAL IMPLICATIONS

- 8.1 In accordance with the District Council's Constitution, the Service Director for Commercial has delegated authority for "granting, negotiating and settling.....rent reviews, where the initial annual rent (after the expiry of any rent free period) or the premium does not exceed £500,000 provided that in respect of any matter where the initial rent or premium exceeds £50,000 the decision shall be made in consultation with the Executive Member for Finance and IT."

9. FINANCIAL IMPLICATIONS

- 9.1 To obtain additional rental income from an investment property. Rent reviews are in line with standard practice.

10. RISK IMPLICATIONS

- 10.1 None.

11. EQUALITIES IMPLICATIONS

- 11.1 The Equality Act 2010 came into force on the 1st October 2010, a major piece of legislation. The Act also created a new Public Sector Equality Duty, which came into force on the 5th April 2011. There is a General duty, described in 12.2, that public bodies must meet, underpinned by more specific duties which are designed to help meet them.

- 11.2 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

- 11.3 There are no direct equalities implications regarding this decision.

12. SOCIAL VALUE IMPLICATIONS

- 12.1 The Social Value Act and "go local" policy do not apply to this decision.

13. HUMAN RESOURCE IMPLICATIONS

- 13.1 No Human Resource implications are foreseen.

14. BACKGROUND PAPERS

- 14.1 None

15. NOTIFICATION DATE

17 May 2019

16. APPENDICES

- 16.1 None.