

MAIDSTONE BOROUGH COUNCIL

CABINET MEMBER FOR CORPORATE SERVICES

**REPORT OF ASSISTANT DIRECTOR OF ENVIRONMENT AND
REGULATORY SERVICES**

Report prepared by: Christopher Finch

Date Issued: _18 November 2010

1. New Leases for New Units at Park Wood

1.1 Issue for Decision

1.1.1 To consider an application to lease industrial units at Park Wood Industrial Estate

1.2 Recommendation of The Assistant Director of Environment and Regulatory Services

1.2.1 That the Cabinet Member for Corporate Services agrees to the letting of two industrial units at Park Wood Industrial Estate, upon the terms set out in the **Exempt Appendix** which accompanies this report.

1.2.2 That in consideration of the number of new units recently transferred to the Council (14), the Assistant Director of Environment and Regulatory Services is given delegated authority to agree terms for all future lettings within Equilibrium Estate, Park Wood providing such lettings conforms to the criteria set out at **Appendix 1**.

1.3 Reasons for Recommendation

1.3.1 On July 6th 2010 the Council took possession by way of a 999 year lease of 14 industrial units for the purpose of letting to starter and growth businesses.

1.3.2 The properties have been advertised using the Council's internet pages, and despite the current difficult market, the Council has received requests for leases of two units.

1.3.3 The Council requires an initial rent of £6.00 per square foot per annum which is considered satisfactory in the current commercial market-place and the premises have been marketed through the Council's website on this basis.

1.4 Alternative Action and why not Recommended

1.4.1 The Cabinet Member could decide that the units should be leased as non-business start-up/growth units, however the head-lease precludes such use, which must be to starter or growth businesses.

1.5 Impact on Corporate Objectives

1.5.1 The proposed letting support the Council's policies of prosperity and increasing business opportunity within the Borough

1.6 Risk Management

1.6.1 With any new business venture there is a risk that success may not become the operation, resulting in failure of the Tenant. It is expected that although the Council would wish every new business to succeed and prosper it is inevitable that some will not, however this is considered an acceptable risk given the purpose of the units.

1.7 Other Implications

1.7.1

1. Financial	X
2. Staffing	
3. Legal	X
4. Equality Impact Needs Assessment	
5. Environmental/Sustainable Development	
6. Community Safety	
7. Human Rights Act	
8. Procurement	
9. Asset Management	

1.7.2 Financial. The subsequent letting of these units will realise an annual revenue receipt for the Council

1.7.3 Legal. Any new tenancy will require the resource of Legal Services to prepare and draft the necessary lease.

1.8 Conclusions

1.8.1 None

1.9 Relevant Documents

1.9.1 Appendices

1.9.2 **Appendix 1** Letting Criteria

1.9.3 **Exempt Appendix 1**, Heads of Terms

1.9.4 Background Documents

1.9.5 None

IS THIS A KEY DECISION REPORT?

Yes

No X

If yes, when did it first appear in the Forward Plan?

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This is a Key Decision because:

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Wards/Parishes affected: Park Wood, Boughton Monchelsea

How to Comment

Should you have any comments on the issue that is being considered please contact either the relevant Officer or the Member of the Executive who will be taking the decision.

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