

COMMERCIAL TENANT UPDATE - CLOCK TOWER UNIT 2

Head of Service:	Mark Shephard, Head of Property and Regeneration
Report Author	Mark Shephard
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Appendices (attached):	Appendix 1 – Marketing Particulars Appendix 2 – Confidential Terms (Part II paper – exempt from publication under paragraph 3 of Sch 12A of the Local Government Act 1972)

Summary

This report outlines the outcome of the marketing exercise to find a new tenant for the vacant Unit 2 at the Clock Tower.

Recommendation (s)

The Committee is asked to:

- (1) Agree the grant of a new Full Repairing & Insuring (FRI) lease of Unit 2 The Clock Tower based upon the terms set out in paragraph 2.9 of the confidential Appendix 2.**
- (2) Note that the Head of Property & Regeneration, in consultation with the Chief Finance Officer and Chief Legal Officer, has express authority to take all necessary actions further to the above decisions being made that commit resources, as is necessary and appropriate, to progress the lease to completion.**

1 Reason for Recommendation

- 1.1 To grant a new lease of Unit 2 The Clock Tower to maximise the Council's commercial rental income and thereby support essential services.

2 Background

Strategy and Resources Committee

23 July 2024

- 2.1 Epsom's historic Grade II listed Clock Tower (built in 1847 to replace the 17th century watch house), was enlarged in the 1920s by the construction of public conveniences either side of the tower.
- 2.2 The public conveniences were converted in 2003 to create two small ground floor commercial units (toilet provision for the market traders was retained at the base of the Clock Tower).
- 2.3 Each of the two commercial units comprise approximately 200 sq ft (18.58 sq m) usable accommodation.
- 2.4 Unit 1 is let to Clock Tower Cars and Unit 2 became vacant at the end of last year when the existing lease expired.

3 Marketing

- 3.1 An Epsom based firm of commercial letting agents were instructed to market the premises.
- 3.2 Marketing particulars are attached at Appendix 1 for information.
- 3.3 The interest received is summarised and discussed in the confidential Appendix 2. This contains commercially sensitive information about the prospective tenants and the Council's letting strategy.
- 3.4 The successful offer represents a favourable outcome for the Council. It is therefore recommended the offer is accepted and the lease progressed to completion as soon as possible.

4 Risk Assessment

Legal or other duties

- 4.1 Equality Impact Assessment
 - 4.1.1 Not applicable
- 4.2 Crime & Disorder
 - 4.2.1 An occupied unit acts as a deterrent to antisocial behaviour.
- 4.3 Safeguarding
 - 4.3.1 Not applicable
- 4.4 Dependencies
 - 4.4.1 Not applicable
- 4.5 Other
 - 4.5.1 None

Strategy and Resources Committee

23 July 2024

5 Financial Implications

- 5.1 The Council's base budget assumes a rental income of £12,000 per annum from this clocktower unit, therefore the new rent of £14,000 pa will provide an increase of £2,000 pa on the previous lease and budget. The increased rent will initially be offset by the combined legal and letting agency fees of approximately £5,000 expected to be incurred in this transaction.
- 5.2 **Section 151 Officer's comments:** Financial implications are set-out in the body of the report.

6 Legal Implications

- 6.1 The council has a statutory duty under the Local Government Act 1972 ("the Act") not to dispose of its land or properties for a consideration less than the best that can reasonably be obtained, except with the express consent of the Secretary of State.
- 6.2 The Head of Property & Regeneration confirms the unit has been fully exposed to the open market to seek Best Value as detailed in Section 2 of the confidential Appendix 2.
- 6.3 Legal support will be provided by Guildford Borough Council as a separate instruction by the Head of Property & Regeneration further to the agreement of the Head of Legal & Monitoring Officer (the cost being met by the rental income as detailed in paragraph 5.1). Should they lack capacity to assist within the necessary timeframe, an external firm shall be identified to assist funded on the same basis.
- 6.4 **Legal Officer's comments:** None arising from the content of this report.

7 Policies, Plans & Partnerships

- 7.1 **Council's Key Priorities:** The following Key Priorities are engaged: Opportunity and Prosperity, Effective Council.
- 7.2 **Service Plans:** The matter is included within the current Service Delivery Plan.
- 7.3 **Climate & Environmental Impact of recommendations:** The proposed tenant will be responsible for the unit's fit-out and these will be subject to compliance with the latest Building Regulations.
- 7.4 **Sustainability Policy & Community Safety Implications:** The proposed tenant will promote sustainable solutions and endeavour to support their implementation wherever they do not conflict with the operation of their business.
- 7.5 **Partnerships:** None

Strategy and Resources Committee

23 July 2024

8 Background papers

8.1 The documents referred to in compiling this report are as follows:

Previous reports: None

Other papers: None