

Bolsover District Council

Meeting of the Executive on 15th April 2024

Lease of 9 Church Street, Clowne

Report of the Portfolio Holder for Growth

Classification	Open
Report By	Sally Lovell, Business Estates Manager, Dragonfly Management (Bolsover) Ltd

PURPOSE/SUMMARY OF REPORT

- To seek Members' approval to enter into a lease agreement with Jessica Hobson at 9 Church Street, Clowne on the terms detailed in the report.

REPORT DETAILS

1. Background

- 1.1 The tenancy agreement for 9 Church Street, Clowne with CVS (UK) Ltd ended on 9 February 2024.
- 1.2 Due to the number of enquiries relating to the premises the approach taken for letting the property was to appoint the Commercial Property Marketing Agent, Omeeto Ltd, to advertise and conduct viewings at the property to secure best value and a new tenancy agreement.
- 1.3 Following viewings, Omeeto Ltd have had a number of offers from interested parties and have recommended Jessica Hobson as the strongest offer, based on proposed terms, use for the property and financial position of the tenant. Heads of terms have now been agreed with the Council's agent.

2. Details of Proposal or Information

- 2.1 Jessica Hobson is a sole trader and has been running her business for the last 4 years. She will be looking to use the premises as a music studio and for music classes.
- 2.2 The business is currently based in Killamarsh and Clowne and has grown sufficiently to need a new premises so that it can expand. In addition to their current activities Jessica would like to offer after school classes and holiday and food camps during the summer.

2.3 Jessica has agreed Heads of Terms which propose a 10 year term and an above market value rent of £12000 per annum for a fully repairing and insuring lease, meaning all financial liabilities for the day to day running of the building will be passed onto the tenant for the duration of the lease.

2.4 An upwards only rent review will be completed in the 5th year of the term. This will be based on market value.

3. **Reasons for Recommendation**

3.1 Securing the tenancy for Jessica Hobson will ensure a continued occupation of the premises and avoid it falling into disrepair.

3.2 Agreeing the tenancy will secure rental income of at least £12,000 per annum for the 10 year term. In addition, the business rate liability, currently £4,790 per annum will be passed onto the tenant.

3.3 We are currently supporting the growth of the arts/culture sector through both a Woman's Creative Network and through an Arts Council England (ACE) Cultural Development Fund application for a Creative Hub in the district to support the creative sector. We will engage with the tenant to support her to flourish in the District and the local community that she will engage with.

4. **Alternative Options and Reasons for Rejection**

4.1 Not to proceed with the new tenancy may result in the interested party choosing to relocate their business to alternative premises and this could potentially fall outside the district. Not only would this result in a loss of revenue income which would be a loss to the authority until an alternative tenant is identified, it could have an impact on the young people in the district who currently benefit from this much needed creative activity.

4.2 Should the authority not proceed with the tenancy they will need to complete dilapidation works to the premises to bring it up to the required standard for letting, this could delay the occupancy of a new tenant and the revenue income being received.

RECOMMENDATION(S)

That Executive agree to enter in to a lease agreement with Jessica Hobson on the terms agreed with the Council's agent.

Approved by Councillor John Richie, Portfolio Holder for Growth

IMPLICATIONS

Finance and Risk: Yes No

Details: As discussed in 3.2 of the report.

On behalf of the Section 151 Officer

Legal (including Data Protection): Yes No

Details: Legal Services will prepare a lease agreement for the tenant to sign.

On behalf of the Solicitor to the Council

Environment: Yes No

Please identify (if applicable) how this proposal/report will help the Authority meet its carbon neutral target or enhance the environment.

The letting will enhance the cultural environment in the district and support growth in the culture/arts sector.

Staffing: Yes No

Details:

On behalf of the Head of Paid Service

DECISION INFORMATION

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards, or which results in income or expenditure to the Council above the following thresholds: Revenue - £75,000 <input checked="" type="checkbox"/> Capital - £150,000 <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies.</i>	Yes
Is the decision subject to Call-In? <i>(Only Key Decisions are subject to Call-In)</i>	Yes

District Wards Significantly Affected	(please state which wards or state All if all wards are affected)
Consultation: Leader / Deputy Leader <input type="checkbox"/> Executive <input type="checkbox"/> SLT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	

Links to Council Ambition: Customers, Economy, and Environment.

This letting contributes to the Economic priorities of: Making the best use of our assets; and ensuring financial sustainability and increasing revenue streams.

DOCUMENT INFORMATION

Appendix No	Title

Background Papers

(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive, you must provide copies of the background papers).

--