



Report to Policy Committee

Author/Lead Officer of Report: Angela Glentworth Head of Regeneration and Property Service
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Report of: Executive Director, City Futures
Report to: Finance Committee
Date of Decision: 18th December 2023
Subject: Proposed Lease at Solpro Business Park, Windsor Street, Sheffield S4 7WB

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? NOT YET COMMISSIONED				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				
The Commercial Terms which set out in Appendix 1.				
<i>"The appendix is not for publication because it contains exempt information under Paragraphs 3 of Schedule 12A of the Local Government Act 1972 (as amended)."</i>				

Purpose of Report:

This report

1. Seeks the approval of the Finance Committee to enter into a lease for the Council's occupation of premises situated at the Solpro Business Park.
2. Sets out the provisionally agreed terms in relation to point 1, above, and as detailed in the Proposal section of this report.

Recommendations:

The Finance Committee is recommended to:

- R1. On consideration of the commercial terms, confirm that it is satisfied with the proposed terms and authorises the completion of the lease and any other legal documentation necessary required.

Background Papers:

n/a

Lead Officer to complete:-	
1	<p>I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.</p> <p>Finance: Helen Damon</p> <p>Legal: David Sellars</p> <p>Equalities & Consultation: Louise Nunn</p> <p>Climate: (N/A)</p>
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>
2	<p>SLB member who approved submission:</p> <p><i>Executive Director City Futures</i></p>
3	<p>Committee Chair consulted:</p>
4	<p>I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.</p> <p>Lead Officer Name: <i>Philip Dendy</i></p> <p>Job Title: <i>Surveyor</i></p> <p>Date: <i>October 2023</i></p>

1. PROPOSAL

- 1.1 The Council currently occupies part of the Solpro Business Park by virtue of a 15-year lease dated the 29th October 2008, granted by the Landlord Solpro Manufacturing Limited. The contractual term ended on the 30th September 2023. The leased area continues to be used by Housing Services, and is being 'held-over', pending resolution of the proposed lease arrangements.
- 1.2 Housing Services wish to continue to make use of the site but anticipate that they will relocate from the site following completion of a formal review of accommodation and service requirements. Therefore, Housing do not wish to be tied into a lease of the premises for a further 15-years. Accordingly, revised terms have been provisionally agreed with the landlord for a new lease on more flexible terms, to facilitate a relocation should suitable Council accommodation be identified and become available.

2. HOW DOES THIS DECISION CONTRIBUTE?

- 2.1 The proposed lease will facilitate the on-going occupation and use of the subject premises by Housing. If the envisaged lease did not proceed the services provided from the site would be disrupted, which would in turn be detrimental to the local community which rely on the services provided.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 As there will be no material change to the provision of facilities at the property there is no requirement for or benefit to holding a public consultation.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

As there are no equality implications on any of the protected characteristic groups there is no further information needed at this time.

4.2 Financial and Commercial Implications

- 4.2.1 The proposed lease will facilitate the on-going occupation and use of the subject premises by Housing. If the lease did not proceed, then the services provided from the site would be disrupted, or cease, which would be detrimental to the local community which rely on the services provided.
- 4.2.2 The rent of £331,080 per annum will be funded from existing budgets within Housing Services.

4.3 Legal Implications

4.3.1 The entering into a lease by the Council as the tenant is an acquisition. Section 120 of the Local Government Act 1972 provides that a principal council can acquire land (whether situated in or outside their area) by agreement for the purposes of any of their functions or the benefit, improvement or development of their area.

4.3.2 In this case the taking of the lease for the reasons set out in the report falls within the general powers under section 120.

4.3.3 The lease does not give security of tenure under the Landlord and Tenant Act 1954 and as such when the contractual term ends in approximately three years if the Council is still in occupation it will have no rights to remain. It is therefore important that alternative premises are found and secured within this timeframe.

4.4 Other Implications

4.4.1 None beyond those identified in this report.

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 Do nothing.

6. REASONS FOR RECOMMENDATIONS

6.1 The proposal to take a lease renewal would enable Housing to continue to function from the subject accommodation and to provide a service to the local community. The proposal will also provide the desired flexibility to allow Housing to relocate should suitable alternative accommodation be identified.

See Separate cover for Appendix 1