

APPENDIX P

WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 2 OCTOBER 2012

Title:

17A FARNHAM TRADING ESTATE
FARNHAM

[Portfolio Holder: Cllr Mike Band]

[Wards Affected: Farnham Weybourne and Badshot Lea]

Note pursuant to Section 100B(5) of the Local Government Act 1972

An annexe to this report contains exempt information by virtue of which the public is likely to be excluded during the item to which the report relates, as specified in Paragraph 3 of Part I of Schedule 12A to the Local Government Act namely:-

Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Summary and purpose:

Authority is sought for the surrender of the existing lease of 17A Farnham Trading Estate, Farnham and the grant of a further lease of 125 years on modern terms and improved rent as set out in the (Exempt) Annexe.

How this report relates to the Council's Corporate Priorities:

The grant of a long lease will enable the lessee to invest in the property, thereby protecting and possibly increasing local employment.

Equality and Diversity Implications:

There are no Equality & Diversity implications

Resource/Value for Money implications:

The Council will receive an improved rent for the premises, as set out in the (Exempt) Annexe.

Legal Implications:

Reasonable legal fees will be covered, subject to the provision of an estimate.

Background

1. Plot 17a, Farnham Trading Estate, is let on a lease expiring in 2048 at a rent set out in the Exempt Annex. It is at present developed with a unit of an older construction style which requires significant investment..
2. The lessees of this property, Kinetrol Limited, have indicated that they wish to invest in the property. However, with only 45 years left on the lease, they will not be able to obtain funding for the development.
3. When investing significant sums into property either in renewal or renovation, institutions require significantly more than the 45 years available in this instance. The industry norm for new leases is 125 years. The proposed length of the new lease is therefore considered acceptable. The proposed rent is subject to regular review and is considered to maximise Waverley's revenue from the site.
4. The lessees are being pressed by their funding organisation to proceed with the lease.

Recommendation

It is recommended that authorisation be granted for:

- (i) a surrender of the existing lease to Kinetrol Limited of Plot 17a Farnham Trading Estate; and
- (ii) a grant of a lease of 125 years of the same site on terms and conditions as set out in the Exempt Annex,

other terms and conditions to be negotiated by the Estates and Valuation Manager.

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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