

Surrender and New Lease of Site 6b Saltmeadows Road

Policy Context

1. The proposed new letting is consistent with the overall vision for Gateshead as set out in Vision 2030 and supports the Thrive agenda.
2. The proposed letting accords with the provisions of the Corporate Asset Strategy and Management Plan 2015-20.

Background

3. The Tenant currently holds a lease for site 6b Saltmeadows Road and is in the process of selling the site to Houltts Ltd. As part of the sale the purchaser wishes to surrender the lease and agree a new lease for a term of 125 years.
4. The existing lease is for a term of 99 years from 1 April 1986 to 31 March 2085, with a 5 year rent review pattern. The current rent is £8,910 per annum.

Proposal

5. It is proposed to grant a new 125 year lease from a date to be agreed with a 5 yearly rent review pattern with an initial rent of £13,000 per annum.

Consultation

6. In preparing this report, consultations have taken place with the Leader and Deputy Leader. Ward Councillors have also been consulted.

Alternative Options

7. The only alternative to surrendering the existing lease and granting a new one would be to allow the current lease to continue, in which case the length of the lease term will continue to decrease creating problems for the Tenant in respect of obtaining finance secured against the site, which is not in the interest of the Tenant or the Council.

Implications of Recommended Option

8. **Resources:**
 - a. **Financial Implications** – The Strategic Director, Corporate Resources confirms there are no significant financial implications arising from this report.
 - b. **Human Resources Implications** - There are no human resource implications arising from this report.

c. Property Implications – In securing this letting the Council is ensuring that it continues to maintain the best rental stream from its non-operational portfolio whilst mitigating its liabilities as to outgoings.

- 9. Risk Management Implication** – There are no additional risk management implications arising from this report.
- 10. Equality and Diversity Implications** – There are no equality & diversity implications arising from this report.
- 11. Crime and Disorder Implications** – There are no crime & disorder implications arising from this report.
- 12. Health Implications** – There are no health implications arising from this report.
- 13. Sustainability Implications** – There are no sustainability implications arising from this report.
- 14. Human Rights Implications** – There are no human rights implications arising from this report.
- 15. Area and Ward Implications** – Central & Bridges