

## EXECUTIVE 18<sup>th</sup> November 2021

<b>Report Title</b>	<b>Rental Agreement at Chester House</b>
<b>Report Author</b>	David Watts, Executive Director for Adults, Communities and Wellbeing
<b>Executive Member</b>	Councillor Helen Howell, Executive Member for Sport, Leisure, Culture and Tourism

<b>Key Decision</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Is the decision eligible for call-in by Scrutiny?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Are there public sector equality duty implications?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Does the report contain confidential or exempt information (whether in appendices or not)?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Applicable paragraph number for exemption from publication under Schedule 12A Local Government Act 1974</b>	

### List of Appendices

#### **Appendix A – Guidance for making decisions affecting Members and Officers**

##### **1. Purpose of Report**

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- 1.1. To agree to let a portion of space within one of the retail units at the Chester House Estate.

##### **2. Executive Summary**

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- 2.1 This report concerns the letting of an area of space within one of the retail units on the Chester House Estate. An alternative offer was made to all unsuccessful applicants that submitted expressions of interest for retail units at the attraction that they could let an area as an alternative.
- 2.2 In order to maximise income and move towards Chester House Estate becoming self-funding a business plan was agreed at a previous Executive meeting.

- 2.3 As part of the business plan there are a number of retail units that were offered to the open market and have attracted a number of local businesses to the site and enhances the heritage attraction offer.
- 2.4 There are some units that are run by the attraction itself and it was identified by the officers running the attraction that it would be possible to make some space available within those units to unsuccessful applicants for the main retail units.
- 2.5 The recommended decision affects an elected member and therefore despite the minor value of the agreement, the Monitoring Officer has advised that to ensure maximum transparency and openness in decision making that delegated authority is not exercised on this occasion and instead the Executive as the relevant decision-making body consider the matter.

### **3. Recommendations**

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- 3.1 It is recommended that the Executive:
- a) Approve the letting of a portion of space within one of the retail units at Chester House Estate on the terms agreed within paragraph 5 of the report.
  - b) Note that the recommended decision affects an elected member and in line with Guidance attached at **Appendix A**, the Executive as the relevant decision-making body have considered the matter.
- 3.2 Reason for Recommendations:
- In order to maximise income and move towards Chester House Estate becoming self-funding a business plan was agreed at a previous Executive meeting [date].
  - As part of the business plan there are a number of retail units that were offered to the open market and have attracted a number of local businesses to the site and enhances the heritage attraction offer.
  - There was significant interest in the retail units and this exceeded the volume of retail units available for letting.
  - There are some units that are run by the attraction itself and it was identified by the officers running the attraction that it would be possible to make some space available within those units to unsuccessful applicants for the main retail units.

### **4. Report Background**

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- 4.1 The arrangement concerns the letting of an area of space within one of the retail units on the Chester House Estate. The same offer was made to all unsuccessful applicants that submitted expressions of interest for retail units at the attraction.
- 4.2 In order to maximise income and move towards Chester House Estate becoming self-funding a business plan was agreed at a previous Executive

meeting on 26<sup>th</sup> August 2021. As part of the business plan there are a number of retail units that were offered to the open market and have attracted a number of local businesses to the site and enhances the heritage attraction offer.

- 4.3 There was significant interest in the retail units and this exceeded the volume of retail units available for letting. There are some units that are run by the attraction itself, such as the Visitor Centre and it was identified by the officers running the attraction that it would be possible to make some space available within those units to unsuccessful applicants for the main retail units on a comparable pro-rata rental basis along with a commission of any sales.

## **5. Issues and Choices**

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- 5.1 The rental space available is within a shop unit at the Chester House Estate. The tenant would receive a square footage of 150sq ft in total.
- 5.2 In determining a rental value, a retail consultant was engaged who has been working on the Chester House Estate project. The methodology for determining the rental amount of £100.00 + 10% commission per month is an estimated calculation on the square footage of the shelf space available to the tenant. The space will be offered at a rate of £100 per calendar month in addition to a 10% commission on sales.
- 5.3 The initial rental term will be for a period of 12 months (1 months' notice to terminate following. A standard agreement will be executed to formalise arrangements which is consistent with other letting arrangements at Chester House.
- 5.4 Reviews of rental rates for all agreements will be undertaken regularly and for this agreement at the end of the initial term of 1 year.

## **6. Implications (including financial implications)**

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### **6.1 Resources and Financial**

- 6.1.1 The financial implications are positive for the local authority in that an additional rental income and commission is generated as a result of the agreement. The financial details are set out in section 5 of this report.
- 6.1.2 Despite the minor value of the agreement, the Monitoring Officer has advised that, as the decision affects an elected member of the council, to ensure maximum transparency and openness in decision making that delegated authority is not exercised on this occasion and instead the Executive as the relevant decision-making body consider the matter.

### **6.2 Legal**

- 6.2.1 Legal and governance implications are contained within the report.

6.3 The recommended decision affects an elected member and therefore despite the minor value of the agreement, the Monitoring Officer has advised that to ensure maximum transparency and openness in decision making that delegated authority is not exercised on this occasion and instead the Executive as the relevant decision-making body consider the matter. This is in line with Guidance issued by the Monitoring Officer on the interpretation of the Officer Scheme of Delegation attached at Appendix A.

#### 6.4 **Risk**

6.4.1 There are no significant risks arising from the proposed recommendations in this report providing that the existing resources are maintained.

#### 6.5 **Consultation**

6.5.1 No consultation with the public and/or agencies/interested parties was necessary.

#### 6.6 **Consideration by Scrutiny**

6.6.1 Not applicable.

#### 6.7 **Climate Impact**

6.7.1 None

#### 6.8 **Community Impact**

6.8.1 None

### **7. Background Papers**

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None