

Hinckley & Bosworth Borough Council

Asset Management



Commercial Lease and Rent Management Policy 2024

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Introduction

The Hinckley & Bosworth Borough Council (HBBC) owns a portfolio of commercial properties and land plots which are managed by the Asset Management team.

The managed portfolio consists of 82 lettable industrial units, 19 industrial ground lease plots, 10 units at The Crescent, 6 small and 1 large retail property and 8 miscellaneous properties. A full schedule of the portfolio is included within Appendix A – Commercial Property Schedule.

The commercial portfolio is held and managed with the following aims, in line with the Corporate Plan:

People: Helping people to stay safe, healthy, active, and in employment

Places: Creating clean, sustainable and attractive places to live, visit and work in

Prosperity: Encouraging sustainable commercial economic and housing growth, as well as attracting businesses, improving skills and supporting regeneration

It is HBBC's policy to ensure that all land and buildings are occupied under a formal agreement, either a lease or a licence. Leases and licences are granted on standard commercial terms with rental valuations to meet its statutory obligations under s.123 Local Government Act 1972.

This policy applies to the management of leases and licences of properties included in this portfolio. It sets out standards that are designed to be, transparent, fair, and consistent.

Asset Management

Asset Management will lead on lease and licence agreements for commercial property and land on behalf of the Council.

The team will:

- Manage the commercial portfolio in line with the Corporate Plan
- Hold an accurate and up to date record of all lease and licence agreements
- Monitor the local property market and any external influences, so lettings reflect optimum market value and increase revenue for the Council
- Ensure that the occupation of property and land is formalised under an appropriate lease or licence agreement
- Ensure the condition of the property is captured prior to and at the end of any agreement by way of a survey
- Actively monitor debt and pursue debtors for non-payment of rents and fees

Vacant Property or Land

When property becomes available, it will be advertised on the Council's website, on Boxpod (a third-party property marketing website) and, in some cases, via a commercial agent.

Enquiries are recorded in a Property Enquiries database and held for a maximum of 12 months. Enquirers are contacted about suitable properties if they become available.

Selecting Tenants

When selecting tenants, the following criteria will be considered:

- Commercial viability
- Financial acceptability
- Use of the property
- Potential for job creation
- Positive economic impact upon the borough
- Environmental impact and sustainability

Where there are several potential tenants for a property, applicants may be required to submit an expression of interest, this will be reviewed against the above points along with other specific criteria relating to the property and site location.

Any agreements the Council enters fall into the following categories:

- i. Agreement with a commercial or non-commercial organisation or group for the purpose of supporting a council function or furthering a council interest, including generating revenue
- ii. Agreement for a property the council requires to fulfil its strategic objectives or service delivery needs
- iii. Agreement for purposes other than above, provided they do not interfere with any council functions, e.g., a telecommunications facility, etc.

Heads of Terms

Heads of Terms detail the main points of an agreement prior to a lease being entered into. It is a record of the agreed points following any negotiations between the Council and the tenant. Heads of Terms will generally include:

- Landlord/tenant contact details
- Description of the property and a plan showing the demise
- Lease term with commencement and expiry dates
- Details of break clauses
- Security of tenure
- Rent amount, rent review provisions and any surety required
- Permitted use of the property

- Details of any service charge/maintenance rent that applies to the property
- Responsibility for business rates
- Responsibility for repair and decoration
- Responsibility for insurance
- Assignment/sublet provisions

Leases and Licences – General provisions

Lease and licences are subject to the provisions set out below:

- Granted under the delegated authority of the Corporate Property Officer
- Alterations to the property or any associated works must not be agreed or completed without the necessary statutory approvals in place (where applicable) and will require Landlord's consent.
 - Landlord's consent does not replace any statutory consents, such as planning, building control or listed building consents
- Rent reviews will be based on the conditions set out within the lease/licence, unless exceptionally agreed
- In exceptional circumstances, the community or social value of an organisation may be considered when calculating or negotiating rent where use of the property supports the Councils' objectives
- New leases will reflect market values.
- Responsibilities for insurance and maintenance liabilities will be made clear within agreements.
- No lease can be assigned without consent of the Landlord

Rent Payment and Arrears Recovery

Under the terms of the lease or licence agreement, tenants will be required to pay rent for their occupation. Payment intervals will be set out in the agreement and non-payment of rent will be treated as a breach of the lease or licence. The Council will make every effort to recover monies owed and where appropriate, take legal action against the lease or licence holder.

Service Charge/Maintenance Rent

A service charge or maintenance rent provision is used where it is appropriate to recover costs incurred by the landlord in providing services (such as lighting, heating or grounds maintenance) to common parts of an estate.

Governance

Leases and licences are granted under the delegated authority of the Head of Property. Lease matters are reviewed and discussed by the Head of Property on a regular basis as part of the delegation process.

Although not mandated, further guidance and input is obtained for leases of strategically key properties.

Any lease matter deemed to fall outside of the remit of the delegated authority of the Head of Property is referred to the Asset Regeneration Strategy Group (ARSG) for review and comment. The ARSG can support, reject or refer the matter depending on its nature.

Appendix A - Commercial Property Schedule

Industrial	Unit size sq.ft.
Greenfields Business Park	
1 & 2	2,250
3	1,000
4 & 5	2,250
6 & 7	2,250
8 & 9	2,050
10	1,500
11	1,250
12	1,250
14	3,000
15	2,691
16	3,000
17	2,000
18	2,000
19	2,500
20	2,500
21	3,000
22	2,691
23	3,000
Hinckley Business Park	
12	2,291
13	2,691
14	2,691
15	2,691
16	2,691
17	3,229
24	537
25	537
26	537
27	1,065
28-31	3,232
Market Bosworth, SRIE	
9	1,925
Merrylees Industrial Estate	
1	702
2	664
3	664
4	662
5	705
6	673
7	1,296
8	1,329
9	1,290
10	1,900

Industrial	Unit size sq.ft.
Merrylees Industrial Estate	
A	2,282
B	1,852
C	1,847
D	1,853
E	1,853
Sketchley Meadows	
15	1,138
16	2,312
17	1,150
18	2,309
19	1,138
20	2,300
21	814
22	814
23	814
24	814
25	814
26	814
27	814
28	814
29	814
30	814
31	814
32	814
33	1,138
34	1,138
35	1,138
36	1,138
37	1,138
38	1,138
39	1,138
40	1,138
Sunnyside Park	
1	926
2	926
3	926
4	926
5	926
6	926
7	926
8	926
9	926
10	1,164
11	1,164

Industrial Plots	Plot size sq.m.
Harrowbrook	
Plot 2	5,710
Plot 4	5,470
Plot 5	4,970
Plot 6	5,010
Plot 15	1,700
Plot 22	730
Plot 27	6,430
Hinckley Business Park	
Plot 6	1,850
Plot 12	8,930
Market Bosworth	
Plot 1	180
Plot 2	490
Plot 3	240
Plot 4	820
Plot 6	930
Sketchley Meadows	
Plot 1	3,556
Plot 2	2,730
Plot 2a	697
Plot 3	1,372
Plot 4	1,993

Crescent Units	Unit size sq.ft.
C1	4,287
C2	4,451
C3/4	4,002
C5	3,418
C6	3,489
C7	576
C8	755
C9	1,065
C10	19,557

Retail Properties	Unit size sq.ft.
39 Atkins Way, Burbage	71
61 Atkins Way, Burbage	71
39 Castle Street, Hinckley	70
61-63 Castle Street, Hinckley	30,391
1 Church Walk, Hinckley	77
3 Church Walk, Hinckley	28
Burbage Common Visitor Centre	859

Miscellaneous Properties	Size
3 Station Road, Hinckley	2,917 sq.ft.
5 Station Road, Hinckley	2,893 sq.ft.
Barwell Scout Hut – plot	856 sq.m.
Jubilee Hall, Barwell – plot	936 sq.m.
Green Towers	14,465 sq.m.
Hinckley Gymnastics Club	5,038 sq.ft.
Swallows Green - plot	2.15 Ha