

TEST VALLEY BOROUGH COUNCIL

HEAD OF SERVICE'S DECISION

Committee: Executive
Chairman: Councillor I Carr
Head of Service: Brian Nicholas, Head of Estates & Economic Development

SUBJECT

Plot 11 North Way, Walworth Industrial Estate, Andover

REASON FOR URGENCY

The current Headlessee Wooler Management Ltd holds a 99 year Headlease from the Council which commenced on 14 January 1974. The Council's tenant wishes to Surrender the existing lease back to the Council and take back a new modern 125 year Headlease as soon as possible. Provisional Heads of Terms are agreed to grant a new lease to the tenant on more advantageous terms to the Council, including an immediate rent increase of just over £6,500 per annum.

A substantial proportion of the building is presently vacant and the Headlessee wishes to 'sell' a long leasehold interest to a local industrialist who wishes to proceed and take occupation as soon as possible. Consequently, time is of the essence to complete the legal formalities and grant a new Headlease so that a long Underlease interest can be immediately granted out of the new superior Headlease. **Apparently the local industrialist will move elsewhere if this transaction is not completed within the next few weeks and so therefore, a welcome potential new occupier may be lost to Andover. In these circumstances the proposed Surrender and Regrant would be cancelled and therefore, the revised rent would not be payable to the Council.**

DECISION

That the Council accept a Surrender of the existing Headlease and grant a new modern Headlease to Wooler Management Ltd as soon as possible on terms to be agreed by the Officers.

Chief Executive's/
Director's Signature: *Chris E. Mansley* Date: 22/5/06

Chairman's/Vice-Chairman's
Signature: *[Signature]* Date: 24/5/06

Chairman's/Vice-Chairman's
(Overview & Scrutiny Committee)
Signature:

David N.A. Drew

Date: *23rd May 2006*

Head of Service's
Signature:

B. G. Michell

Date: *19/5/06.*

Reported to Committee on

14TH JUNE 2006

Date:

DISTRIBUTION

1. Chief Executive
2. Corporate Director (BS)
3. Corporate Director (CC)
4. Head of Legal Services
5. Head of Administration (original for report to Committee)

BACKGROUND PAPER:

File Wal 11