

Delegation of Authority for the Grant of Commercial Leases



Report to:	Cabinet
Date:	10 July 2025
Portfolio Holder:	Councillor James Leppard, Portfolio Holder for Finance
Lead Officer:	Will Hales, Director – Facilities and Assets
Contributing Officer:	Raman Datt, Property Manager
Key Decision:	Yes
Forward Plan:	Forward Plan number I018514
Call In:	This item is subject to call in procedures
Corporate Mission:	Secure our future
Wards Affected:	All

Executive Summary

- A** The Building Harlow's Future plan states that the council will "*Maximise inward investment from the private sector*". In line with that stated outcome, this report seeks to streamline decision making to allow Officers to more swiftly capitalise on commercial letting opportunities.
- B** The Council's Contract Standing Orders delegate authority to Officers to negotiate and complete new commercial lettings up to a maximum aggregate rental value of £50,000, beyond which Cabinet approval is required. In the interest of efficiency and expedience, this report seeks the delegation of a broader authority to Officers, the parameters of which are set out below.

Recommended that:

- A** Cabinet delegate authority to the Director for Facilities & Assets to agree terms and thereafter procure the legal completion of new commercial leases, subject to the Executive Director, Communities and Regeneration being satisfied that: -

- i) the subject property isn't required by the council over the duration of the proposed lease for operational purposes;
- ii) the terms of the proposed lease are at or better than open market value;
- iii) entering into the proposed lease would not reduce the retained capital value of the subject property; and
- iv) entering into the proposed lease would not impede the council in delivering its policy objectives (for example its programme of town centre regeneration).

Reason for decision

- A** The proposal is consistent with the BHF Mission to Secure our Future by attracting and enabling inward investment into Harlow.
- B** To allow Officers to proceed with new commercial and community lettings swiftly and efficiently, thereby ensuring that the council is sufficiently fleet of foot to capitalise on commercial letting opportunities to maximise returns from its property assets.
- C** To ensure that new leases are beneficial to the council and do not compromise its ability to fulfil its wider objectives and responsibilities to its residents.

Other Options

- A** Where proposed leasehold transactions aren't currently covered by existing delegated powers, Officers could bring each specific commercial and community leasehold proposal to Cabinet for approval. This approach isn't recommended given resource implications and the delays that would cause to the Council securing new lettings, delays that in some instances could result in the loss of a prospective tenant.
- B** In the longer term, Full Council may wish to consider adjusting the financial thresholds within existing Contract Standing Orders to complete leasehold transactions. In the meantime, pending any such review, to drive efficiencies Cabinet are asked to consider the recommendation contained within this report.

Background

1. The Council's Contract Standing Orders (Part 2) 'Disposal of Land' at paragraph 3.2 provides that: -

"3.2 The Senior Officer has the authority to lease land:

3.2.1 for a period of less than seven years at a rent at or above best consideration reasonably obtainable; or

3.2.2 *for a period of seven years or more for an estimated aggregated rental value less than £50,000 in consultation with the relevant Portfolio Holder and the Section 151 Officer.*

3.3

The terms of any other land disposals must be agreed by Cabinet or Council.”

2. Officers are required to routinely deal with new leasehold transactions across the Council’s significant non-housing property portfolio, some of which exceed the maximum lease term and financial threshold detailed above. In such instances, the commercial imperative to proceed swiftly is considered to outweigh the benefit of bringing each specific leasehold proposal to Cabinet for approval.

Issues/Proposals

3. As detailed above.

Implications

Equalities and Diversity

The subject of this report isn’t considered to have any specific equality and diversity implications.

Climate Change

The subject of this report isn’t considered to have any specific impact on climate change.

Finance

In line with the Council’s statutory and common law fiduciary duty, the Council must secure the best available return from its non-housing properties. For the reasons noted above, the recommendation contained within this report aligns with that requirement.

Author: Jacqueline Van Mellaerts, Director – Finance and Section 151 Officer

Governance

The current provisions described are out of step with modern local authority commercial letting practices where officers would typically have much more discretion to operate swiftly under delegated powers to secure tenants in and rental incomes from the council’s commercial estate. The proposed delegation is a prudent and commercial temporary expedient which addresses the issue on a risk-measured basis, in advance of an overhaul of the constitution.

Author: Daniel Dickinson, Director – Legal and Governance (Interim) and Monitoring Officer

Appendices

None.

Background Papers

None.

Glossary of terms/abbreviations used

None.