REPORT of
HEAD OF ASSETS, COAST AND COUNTRYSIDE

to
STRATEGY AND RESOURCES COMMITTEE
19 MARCH 2026

LEASE EXTENSION AND CONSOLIDATION OF UNIT 2 SPRINGFIELD INDUSTRIAL ESTATE, BURNHAM-ON-CROUCH

1. PURPOSE OF THE REPORT

1.1 Request for a lease extension for Unit 2 Springfield Industrial Estate to enable the consolidation of three existing leases, Unit 2, Unit 2A and Additional Land at Springfield Industrial Estate into one formal lease agreement.

2. RECOMMENDATION

That the Council agrees for a new lease for Unit 2 Springfield Industrial Estate for a term of 90 years.

3. SUMMARY OF KEY ISSUES

3.1 The Council owns Springfield Industrial Estate Burnham-on-Crouch.

3.2 The Council entered into an 85-year lease for Unit 2A an extension of Unit 2, Springfield, commencing on 6 November 1989. There are currently 49 years remaining on the lease.

3.3 The original lease for Unit 2 of Springfield Industrial Estate was for a term of 85 years, commencing on 1 November 1973 and set to expire in October 2058. Subsequently, a lease for the adjoining area, referred to as the “Additional Yard,” was agreed upon, commencing on 1 January 2014 and expiring in October 2060. Both leases now have less than 40 years remaining.

3.4 The Council has received a request from the leaseholder, SBA Investments of the three current leases, requesting that these leases are combined and extended for a term of 90 years.

3.5 The Leases were not contracted out of the Landlord and Tenant Act 1954 when they were completed. The Tenant therefore has an automatic right to renew their agreements when they expire.

3.6 While the rental figure is currently reviewed every ten years officers would recommend that a new valuation is carried out for the combined area to allow the new agreement to begin at a current market value.

3.7 Granting one lease allows the terms to be aligned and reduces the administrative burden on both the authority and the leaseholder as only one agreement will need to be monitored, rent paid and reviews carried out.

3.8 Businesses require long term security of a premises in order to invest in their business and make long term investment and growth plans. It is anticipated that as all the current leases were entered into around the same time period the Council can expect to receive a number of these requests over the coming months.

3.9 Members agreed a similar extension request at a meeting of the Strategy and Resources Committee on 2 October 2025 and granted officers delegated authority for the approval of lease extensions for any other units at the Business Park where the remaining lease term is less than 40 years.

3.10 In this case the remaining term of one of the leases is over 40 years and therefore this delegation does not apply.

4. CONCLUSION

4.1 The granting of a new lease will provide a long-term income to the Council at a market value while also providing security for the business that occupies this Unit.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

5.1 **Growing our economy**

5.1.1 Proving long term security for businesses allows the businesses to make long term investment plans which will support business growth within the district.

6. IMPLICATIONS

(i) **Impact on Customers** – Providing a delegated authority will ensure a quicker decision-making process for our tenants who wish to extend their lease.

(ii) **Impact on Equalities** – None.

(iii) **Impact on Risk (including Fraud implications)** – None.

(iv) **Impact on Resources (financial)** – A valuation will ensure the Council is obtaining a current market rental value and the rent review will ensure that this is reflected throughout the term of the lease. The new lease will ensure a long-term income for the Council.

(v) **Impact on Resources (human)** – The legal work will be undertaken in house.

(vi) **Impact on Devolution / Local Government Reorganisation** – Any lease that is entered into at this point will be novated (transferred) to any new authority as part of the legal devolution process. The current leaseholders have an automatic right to renew their lease and so any new authority would be bound by this legal obligation in the future irrespective of this decision.

Background Papers: None.

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