

Councillor John Graham – Finance, Property and Economic Development Portfolio Holder

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Date: 30th January 2017

Dear Sirs

I am writing to all tenants in the Leeming and Aycliffe Road parade of shops to confirm the Council's policy, as outlined by my interview on 27 January with 3 Counties Radio, of enhancing and retaining a thriving community of shops in the Leeming and Aycliffe Road parade. All shops in the parade are currently let, some to those shops serving the local community and others serving a wider catchment area.

The Council wants to retain both the diversity of shops and the current high levels of occupancy. We do, however, recognise we have a responsibility to ratepayers to get a competitive rental from the shops. A recent rent review carried out professionally, has shown that many current rentals are below market rates. That causes the Council a problem as we are not serving our ratepayers if we subsidise rentals. The challenge is to find the new rental level that balances the responsibility to ratepayers yet ensures that the current business remains healthy.

Over the next few years, tenants will know when their next rent review is scheduled. In that period, it will be important that your rent is paid on time and arrears of rental are not allowed to appear. Before any rental is finalised, there will be face to face discussion by the Council with every leaseholder. Rent increases will never be unilaterally imposed and a new rental set only after full debate with the tenant. My role will be to ensure the appropriate balance between rental and the health of the business has been achieved. As an example, I have asked officers of the Council that where there is a significant higher rent proposed, they need to assess the impact on the business and where appropriate discuss arrangements that will allow a business a period of time to grow into the new rental.

I appreciate the renewal of a lease and a potential increase in rental can be a stressful time. There are professional advisers, usually Chartered Surveyors, who can steer you through the process and act on your behalf. The RICS has a list of registered Chartered Surveyors on its website www.rics.org.

In conclusion, we see the parade of shops in Leeming and Aycliffe Roads as an important asset of the Cowley Hill ward. The Council is issuing new leases typically of 15 years length which is demonstrating the Council's commitment to retaining an active parade of shops. It is the Council's policy to keep the shops fully occupied by successful businesses that can afford the rentals charged and the Council is delighted the parade has become so successful.

Yours faithfully

A handwritten signature in black ink, appearing to read 'J M Graham', with a long horizontal flourish extending to the right.

Councillor John Graham

