

Key Decision Required:	No	In the Forward Plan:	No
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CABINET

REPORT OF THE REGENERATION, INWARD INVESTMENT AND GROWTH AND ASSET MANAGEMENT PORTFOLIO HOLDER

11 APRIL 2014

A.5 NEW LEASE FOR THE GENERATOR STORE ON THE NAZE

(Report prepared by Aileen Middleton)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To consider the principle of granting a new lease of the generator store on the Naze.

EXECUTIVE SUMMARY

The Council is the freehold owner of a former generator store within the larger area of the Naze. The location of the store is shown in the plan attached as Appendix A.

The owners of the Naze Tower and a local resident would both like to take a lease of the building to enable them to use it for storage for their different businesses. Both interested parties have put forward terms for a lease.

It is proposed that the chosen party will have exclusivity possession of the Store.

The owners of the Naze Tower currently use the store for storage to support their operation of the Tower itself. This is shared with the open spaces team and no rent is currently paid.

Potential terms for a proposed lease will be considered in part B of this agenda.

RECOMMENDATIONS

That Cabinet authorise the principle of granting a new lease of the store.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The facilitation of this new lease will contribute to the following Council priorities to:

- Build a thriving local tourism industry.
- Promote sustainable economic growth
- Regenerate the District and improve deprived areas.
- Protect and enhance our environment, countryside and coast.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

Granting of a lease will lead to the receipt of a rental stream. The details of this are

contained in the report in Part B of this agenda.

Risk

If no lease were granted then the Tower would continue to use the Store much as they are now but this carries the risk of a lease being obtained by default and them continuing to pay no rent.

LEGAL

Section 123(1) Local Government Act 1972 indicates that, a local authority may dispose of land held by it in any way it wishes so long as (section 123 (2)) the land is disposed for a consideration not less than the best that can reasonably be obtained.

The General Disposal Consent Order (England) 2003 gives consent for disposal at below best consideration reasonably obtainable provided that the undervalue is less than £2m and the proposal enhances the environmental economic and social wellbeing of the area.

Section 123(2A) Local Government Act 1972 indicates that, a local authority may not dispose of land held by it without advertising its intention to do so in the local press.

In this case the value negotiated by the agents is considered to be best consideration.

In coming to decisions in relation to management of assets, the Council must act in accordance with its statutory duties and responsibilities. Under case law following Section 120 of Local Government Act 1972, the Council is obliged to ensure that the management of its assets are for the benefit of the district.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of Crime and Disorder, Equality and Diversity, Health Inequalities, Consultation/Public Engagement and Wards; and any significant issues are set out below.

None

Ward

Walton

PART 3 – SUPPORTING INFORMATION

BACKGROUND

- The Naze Tower owners asked to purchase the store building near to the tower.
- The store has been in joint use by the Council and Tower owners for some years.
- The Council's use can be relocated without affecting services.
- Another nearby property owner, has also expressed interest in the building.
- The request presents an opportunity to regularise the arrangements for the building, potentially including a suitable lease with provisions for full repairing obligations, market rental value and rent reviews.
- A valuation was obtained from the Council's agents, NPS, for the yearly rental of the building.

- Officers consider that a freehold disposal is inappropriate in this location.
- Following the expressions of interest from both parties, officers asked both parties for their best and final offers to rent the store building.
- Best and final offers were received from both parties and these are set out in the report in Part B of this Agenda.

CURRENT POSITION

The store adjacent to the Naze Tower is used at present by the Tower and has been for several years. The Tower owners now wish to formalise this use by taking a 60 year lease. They propose to incorporate the store into the facilities offered in the Tower as part of the wider tourism offer and part of the history of the area. The rental level discussed in Part B of this Agenda offered by the Tower is in line with the NPS valuation and is sustainable.

The nearby resident proposes to use the Store for storage in connection with a new business and proposes a higher rent. However, this does not offer a contribution to the Council's objectives for the coastline and enhancing tourism. It may also jeopardise the ability of the Naze Tower to function successfully as they already use the Store and could not operate without the storage space this offers.

FURTHER HEADINGS RELEVANT TO THE REPORT

None

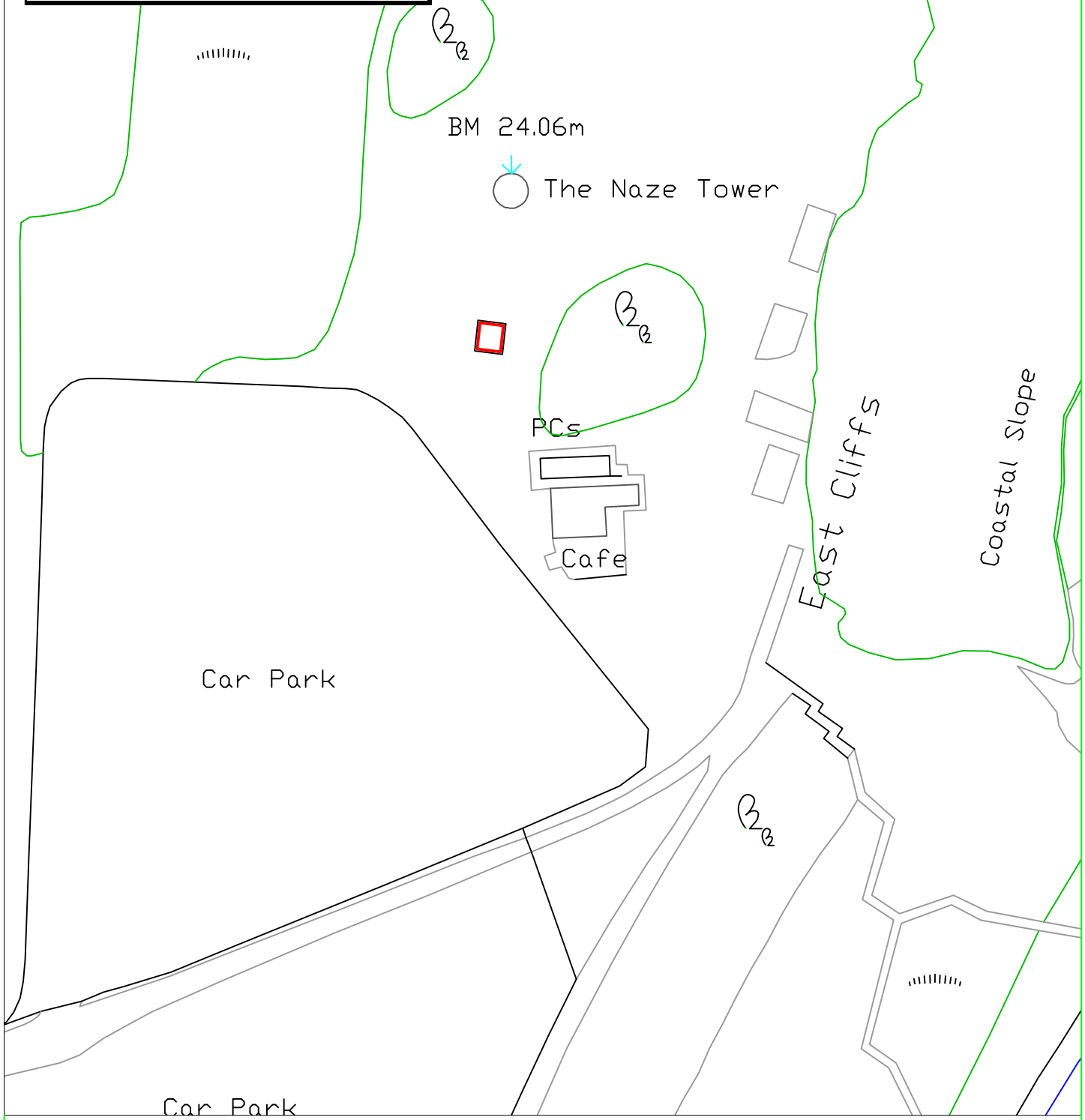
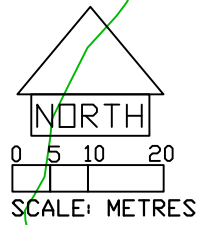
BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

- **Appendix A – Plan of Store edged in red.**

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TENDRING DISTRICT COUNCIL

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title: WALTON ON THE NAZE;
THE NAZE: STORE BUILDING
drawing: LOCATION PLAN

scale: 1:1000
drawn by: AR WHITE
date: 20 AUG 2013
drwg.No. revision
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