

<b>Key Decision Required:</b>	<b>No</b>	<b>In the Forward Plan:</b>	<b>No</b>
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**CABINET**

**26 OCTOBER 2011**

**REPORT OF TOURISM & COMMUNITY LIFE PORTFOLIO HOLDER**

**A.4 DOVERCOURT BOATHOUSE LEASE REVISIONS**

**PART 1 – KEY INFORMATION**

**PURPOSE OF THE REPORT**

To advise Cabinet of the need to revise the Dovercourt Boathouse lease from 7 years to 14 years.

**EXECUTIVE SUMMARY**

Following a Cabinet decision on the 9<sup>th</sup> March 2011 (Decision 2056 refers) officers entered into negotiations with the prospective tenant of the Dovercourt Boathouse to agree a lease in accordance with the Part B report and with a Cabinet decision recommending a 7 year lease period.

Given that the terms of the lease specifically exclude the ‘Landlord and Tenants Act 1954’ thus giving the prospective tenants no security of tenure after the lease expires, the tenants are unwilling to agree to a 7 year lease. Their refusal is on the basis that it gives them insufficient time to recoup their 7 year investment plan proposals and turn a profit.

All other lease terms as outlined in the 9<sup>th</sup> March 2011 part B report have been agreed and with my agreement officers have provisionally negotiated a lease for a 14 year period subject to Cabinet’s approval of this report.

**RECOMMENDATION(S)**

**That the Head of Resource Management in consultation with the Tourism and Community Life Portfolio Holder is authorised to effect a legally binding lease for the Dovercourt Boathouse for a term of 14 years but otherwise in accordance with the Cabinet’s decision of 9 March 2011 (Decision 2056 refers).**

**PART 2 – IMPLICATIONS OF THE DECISION**

**DELIVERING PRIORITIES**

Re-establishing the boat hire concession, facilitated through Council investment, will further compliment the existing tourism offer and augment the available facilities adjacent to the Blue Flag beach. This contributes to the corporate priority ‘building a thriving tourism industry’ and delivering sustainable economic growth within the Dovercourt area.

<b>FINANCE, OTHER RESOURCES AND RISK</b>
<p>The lease finance details were previously provided in the 9 March 2011 Part B reports</p> <p>The lease was marketed in accordance with Council procurement rules and the best consideration for the lease has been achieved.</p>
<b>LEGAL</b>
<p>The actions recommended are within the powers of the Council.</p>
<b>OTHER IMPLICATIONS</b>
<p><u>Equality and Diversity</u></p> <p>The tenant has identified provision of both arm and leg-powered hire boats in his tender.</p> <p><u>Health Inequalities</u></p> <p>Regenerative investment and re-opening of this tourist attraction will re-establish a fun, open-air tourism facility which demands moderate physical input.</p> <p><u>Wards Affected</u></p> <p>Harwich East Central</p>

### **PART 3 – SUPPORTING INFORMATION**

<b>BACKGROUND</b>
<p>Members will recall that on 9<sup>th</sup> March 2011 (Decision 2056 refers) Cabinet recommended that officers enter into negotiations with the prospective Dovercourt Boathouse tenants to agree a lease for a period of 7 years.</p> <p>Following this, the prospective tenants, Mr and Mrs Sharp (who already lease the adjacent Blue Flag café) have identified that they cannot agree to a 7 year lease.</p> <p>Their refusal is based upon the premise that a 7 year period gives them insufficient time to recoup their planned investment, especially considering that this new lease specifically excludes the 'Landlord and Tenants Act 1954' whereby their tenancy is unsecured after the lease expires and theoretically the Council could ask them to vacate the premises if it was minded to do so.</p> <p>All other lease terms as outlined in the 9<sup>th</sup> March 2011 part B report have been agreed and with my prior agreement, officers have provisionally negotiated a lease for a 14 year period subject to Cabinet's approval of this report.</p> <p>I recommend that the lease period be agreed for 14 years. The lease was marketed in accordance with Council procurement rules and the best consideration for the lease has been achieved. As part of this process the tender included a requirement for the prospective tenant to itemise their business plans/investment levels for a 7 year period i.e. medium term.</p>

However, If Cabinet is minded not to accept the recommendation to offer a 14 year lease then the alternative is to re-tender. Members should note that given the Boathouse's market value (see previous Part B report dated 9<sup>th</sup> march 2011) this is arguably not an effective use of officer time/resources.

## **BACKGROUND PAPERS**

Cabinet Report 9<sup>th</sup> March 2011 proposed new lease of Dovercourt Boating Lake, Low Road, Dovercourt, Essex\_Parts A and B.