

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

16 NOVEMBER 2011

REPORT OF THE FINANCE AND ASSET MANAGEMENT PORTFOLIO HOLDER

A.5 LEASES AT BARRACK LANE HARWICH

(Report prepared by Andy White)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To report the progress of lease renewals and rent reviews at Barrack Lane Harwich.

EXECUTIVE SUMMARY

On 01 September 2010 Cabinet considered a report dealing with tenancy issues at Barrack Lane. Cabinet decided to proceed immediately with an overdue rent review and some renewals, without serving any notices or requiring further decisions.

Improvement works approved by Cabinet were completed earlier this financial year.

Leases were renewed with two of the tenants on the site, but two other tenants have not replied in any substance to proposals put to them by officers. In view of progress made it is now pertinent for Cabinet to reconsider the decisions made relating to the leases. The position of the five tenancies on the site at present is summarised in the table below:

Sea Scouts:	Pre-existing lease to August 2049.	No action required
Girl Guides:	Pre-existing lease to April 2017.	The Guides Association has not been able to reply in substance to proposed further lease terms.
United Services Club:	New lease agreed and completed to March 2038	Action Completed.
Royal British Legion:	New lease agreed and completed to March 2038	Action Completed.
Harwich and District Community Association:	Rent review due since August 2004 Existing lease holding over since 31 July 2011	The Community Association has not been able to reply in substance to negotiation or proposed further lease terms.

Officers' ability to deal with the outstanding rent review and renewal proposals can be enhanced by the serving of official notices in line with the law and good practice.

RECOMMENDATION(S)

That Cabinet:

- (a) notes the renewal of two of the leases on the site.**
- (b) confirms that no action be taken on the Girl Guides' lease until due for renewal process in April 2016.**
- (c) confirms that relevant notices can be issued and procedures followed to resolve the lease issues at Harwich and Dovercourt Community Association.**

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The community facilities incorporate a youth element (e.g. Sea Scouts and Girl Guides) that contribute to the Corporate Plan objective to give every child a good start in life and for people to have healthy and active lifestyles. The community uses also provide diversionary activities that help to retain a low crime area and reduce the fear of crime.

Completed works to the communal areas contribute to the Corporate Plan objectives to regenerate the District and improve deprived areas and to protect and enhance our environment, countryside and coast.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The majority of users on the site are beneficiaries of the Council's Community Asset Rent Offsetting Scheme (CAROS) which provides grant to offset the rent charged to qualifying tenants to £150 per annum. The scheme is subject to review and to Members' decision in respect of the report also on this agenda. Although reviews and renewals will generate increases in rent levels the overall financial impact on the Council may be limited.

Risk

The key risk to this decision is the potential difficulty in agreeing rent levels, lease terms and other details with the tenants.

LEGAL

The service of notice is in accordance with the Council's legal powers. The form of notices is prescribed by the Landlord and Tenant Act 1954 as amended. In this case a Cabinet decision is required to serve notices because of the earlier Cabinet decisions.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

Crime and Disorder

The community facilities incorporate a youth element (e.g. Sea Scouts and Girl Guides) that contribute to the Corporate Plan objective to give every child a good start in life and for people to have healthy and active lifestyles. The community uses also provide diversionary activities that help to retain a low crime area and reduce the fear of crime.

Area or Ward affected.

Harwich East.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

Background information is included in the Cabinet reports of 21 April 2010 and 01 September 2010.

On 01 September 2010 Cabinet resolved:

- (a) That the overdue rent review in respect of Harwich and Dovercourt Community Association be carried out immediately.
- (b) That discussions with all tenants must continue.
- (c) That formal notices will not be served but leases will be renewed and adjustments made with agreement of the lessees and landlord, and only with agreement will any changes be made. Otherwise leases will be renewed as existing.
- (d) That no more formal reports will be required and lease renewals should be dealt with urgently by officers in consultation with the relevant Portfolio Holder.
- (e) That a total of £38,375.00 be made available from the Service Improvement Budget to fund all the detail in Part A and No.28 in Part C of Appendix 'C' of item A.5 of the Report of the Head of Corporate Performance with works to be completed as a matter of urgency.
- (f) That Cabinet does not wish to sell any part of this site.
- (g) That Cabinet notes that it would appear none of the site has been formally designated as public car park.
- (h) That contact is made forthwith with the British Legion to renew the held-over lease on their premises.

CURRENT POSITION

Improvement works approved by Cabinet were completed earlier this financial year.

Leases were renewed with two of the tenants on the site, but two other tenants have not replied in any substance to proposals put to them by officers. The position of the five tenancies on the site at present is summarised in the table below:

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	Existing lease holding over since 31 July 2011	

The renewal of two leases and the rent review have been delayed by the absence of substantial responses from the tenants. The Guides' lease does not end for some years, so it is proposed to defer any action until April 2016.

The rent review at Harwich and Dovercourt Community Association is over seven years overdue. It may not be possible to seek to backdate the review but it should be completed if any further period of holding over is to occur. The lease itself has passed its contractual

end date. This position does not represent good practice. The tenants have not made any substantial response to approaches to complete the review or renew the lease.

It has now reached the stage where officers' ability to deal with the outstanding renewal proposals can be enhanced by the service of official notices.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

None
