

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

**22 MARCH 2013**

### REPORT OF THE FINANCE AND ASSET MANAGEMENT PORTFOLIO HOLDER

#### **A.6 POTENTIAL LEASE OF KIOSK 5 MARINE PARADE EAST CLACTON-ON-SEA** (Report prepared by Andy White)

#### **PART 1 – KEY INFORMATION**

##### **PURPOSE OF THE REPORT**

**To consider the principle of granting a lease of Kiosk 5 below Lower Marine Parade East Clacton-on-Sea, as shown on the attached plan (Appendix A) following the return of tenders.**

##### **EXECUTIVE SUMMARY**

Following concerns over various aspects of the tenancy in recent years, officers terminated the most recent lease in 2012. A temporary arrangement was put in place for the 2012 Season and Officers have invited tenders for its future operation.

Two tenders were received and have been evaluated. Both tenderers are considered to have made bids that are roughly in line with anticipated values and should be considered for acceptance. One bid is for five to ten years and the other for seven. Both include details and proposals illustrating ways that they propose their use of the site would contribute to the local economy.

Accordingly there is potential to grant a lease of the building. Further detail on the nature of bids and terms is included in the report in Part B of this agenda.

##### **RECOMMENDATIONS**

- (a) That Members determine in principle whether, subject to their decision in Part B of this agenda, they wish to grant a lease of the kiosk.**

#### **PART 2 – IMPLICATIONS OF THE DECISION**

##### **DELIVERING PRIORITIES**

Success of the kiosk will contribute towards the following Corporate Plan priorities:

- Promote sustainable economic growth
- Regenerate the district and improve deprived areas

##### **FINANCE, OTHER RESOURCES AND RISK**

###### **Finance and other resources**

The proposed lease is in accordance with the framework set out in the Asset Management Plan and Capital Strategy and supports the Council's Medium Term Financial Strategy.

Tenders have been received that are broadly in line with open market values for the site the detailed financial implications are considered in the report in Part B of this agenda.

### **Risk**

The key risk is potential for the site to become unutilised, resulting in it not contributing to any of the Corporate priorities, or earning an income for the Council. Basic checks on the tenderers, proportionate to the level of risk have been carried out. No reason to withhold a lease has been discovered.

### **LEGAL**

This action proposed is within the Council's discretionary powers.

The granting of a lease for seven years or more is considered to be a disposal. Accordingly the Council has a statutory duty to obtain best consideration reasonably obtainable. However the Council may decide to grant a lease of less than seven years at lower consideration so long as this is consistent with its general fiduciary duty, a general responsibility to the public purse to use its resources wisely and proportionately in the financial interests of the authority and community. The Council also has discretionary power to grant a longer lease at less than Best Consideration Reasonably Obtainable if it considers that doing so will improve the economic, social or environmental wellbeing of the area.

### **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.

### **Ward**

Pier

## **PART 3 – SUPPORTING INFORMATION**

### **BACKGROUND**

The Council owns a number of kiosks along the seafront including Kiosk 5 which is located at lower promenade level below Lower Marine Parade East, near Anglefield.

Following concerns over various aspects of the tenancy in recent years, officers terminated the most recent lease in January 2012. A temporary arrangement was put in place for the 2012 Season and Officers have invited tenders for its future operation.

Two tenders were received and have been evaluated.

Accordingly there is potential to grant a lease of the building. Further detail on the nature of bids and terms is included in the report in Part B of this agenda.

The tenders received indicate that there is potential to grant a lease for the running of the kiosk on the site that includes proposals for improving it and ultimately contributing to the seafront and the safeguarding and generation of employment.

### **CURRENT POSITION**

Both tenderers are considered to have made bids that are roughly in line with anticipated values and should be considered for acceptance. One bid is for five to ten years and the other for seven. Both include details and proposals illustrating ways that they propose their

use of the site would contribute to the local economy.

Further detail on the nature of bids and terms is included in the report in part B of this agenda.

**FURTHER HEADINGS RELEVANT TO THE REPORT**

None

**BACKGROUND PAPERS FOR THE DECISION**

None

**APPENDICES**

**Appendix A – Plan indicating the location of the site.**