

Key Decision Required:	No	In the Forward Plan:	No
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PORTFOLIO HOLDER FOR FINANCE AND CORPORATE RESOURCES

13 December 2018

A. **REVISED DATES FOR PROPOSED LEASE of 21 KINGS HEAD STREET HARWICH**

(Report prepared by Andy White)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To approve the variation of the terms for the proposed lease of 21 Kings Head Street as set out in the current Position section in the report.

EXECUTIVE SUMMARY

The Portfolio Holder agreed the principle, term and terms for a proposed lease of 21 Kings Head Street on 20 September 2018. The proposed date of commencement was 01 November 2018.

The lease was not completed on time for a small number of reasons including the shortness of time and the later approval of a wider budget including funding for this project. The proposed landlord feels that he has missed out on a potential short term letting and has asked for the rent and utility amounts to be paid to him as if the lease had started as provisionally agreed.

The budget for the project was calculated on the assumption of a November start date and accordingly is adequate to meet the landlord's request.

It is proposed to adjust the terms as requested.

RECOMMENDATIONS

That the Portfolio Holder approves the revision of terms for the taking of a new lease of 21 Kings Head Street Harwich to include revised starting date and payment of rent and occupation costs.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The potential acquisition of the property offers potential to contribute to Council priorities of Delivering an attractive events programme and local regeneration.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The budget for the project was agreed by Cabinet on 09 November 2018 and had been calculated on the assumption that the lease would commence in November as had been agreed. Accordingly there is sufficient funding in the budget for the Rent and other costs to be backdated to 01 November 2018.

Risk

In addition to the risks set out in previous reports there is a current risk that failing to agree revised terms reflecting the delayed start of the lease would jeopardise the lease and the provision of the attraction in readiness for the Mayflower quatercentenary.

LEGAL

Section 120(1) of Local Government Act 1972 provides for the Council to acquire land either within or outside the District for any purpose within that or any other Act or for the benefit, improvement or development of the area.

Section 12 of the Local Government Act 2003 provides a general power to invest (a) for any purpose relevant to its functions under any Act or (b) for the purposes of the prudent management of its financial affairs.

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

Harwich East

PART 3 – SUPPORTING INFORMATION**BACKGROUND**

21 and 21a Kings Head Street are owned by a private individual.

2020 is the 400th anniversary of the sailing of the Mayflower.

Christopher Jones was the Master of the Mayflower. He lived at 21 Kings Head Street.

The Current owner of the property has suggested the possibility of the Council and possibly partners using 21Kings Head Street as a museum and tourist attraction on a leasehold basis.

The building has been offered to the Council on a short leasehold basis at first but with potential for a longer term arrangement if successful.

Considerable work will be necessary in order to make the property ready to work as a public attraction.

Any longer term use would require attention to the wider condition of the building as well as another agreement with the landowner (see below).

CURRENT POSITION

The Portfolio Holder agreed the principle, term and terms for a proposed lease of 21 Kings Head Street on 20 September 2018. The proposed date of commencement was 01 November 2018 and the rent was due to commence on that date also although it is noted that the Heads of Terms appended to the previous report regarding the letting stated 1 April 2019.

The lease was not completed on time for a small number of reasons including the shortness of time and the later approval of a wider budget including funding for this project. The proposed landlord feels that he has missed out on a potential short term letting and has asked for the rent and utility amounts to be paid to him as if the lease had started as provisionally agreed.

The budget for the project was agreed by Cabinet on 09 November 2018 and had been previously calculated on the assumption that the lease would commence in November as had been agreed. Accordingly there is sufficient funding in the budget for the Rent and other costs to be backdated to 01 November 2018.

Therefore it is proposed that the Terms agreed by the Portfolio Holder are varied as follows:

Date of Commencement:	As soon as practicable
Term:	From the Date of Commencement up to and including 31 July 2021*
Rent Commencement Date:	01 November 2018
Outgoings:	[In addition to the previously agreed terms] to pay the landlord the costs of Rates and utilities incurred between the Rent Commencement Date and the Date of Commencement.

* Note. It is proposed to exclude security of tenure under the Landlord and Tenant Act 1954 so any provision of the attraction beyond that date will need to be by agreement rather than by right.

APPENDICES

None.