

<b>Key Decision Required:</b>	<b>Yes</b>	<b>In the Forward Plan:</b>	<b>Yes</b>
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**CABINET**

**21 MAY 2021**

**REPORT OF THE PORTFOLIO HOLDER FOR CORPORATE FINANCE AND GOVERNANCE**

**A.4 SURRENDER OF THE LEASE OVER CARNARVON HOUSE, CARNARVON ROAD, CLACTON-ON-SEA**

(Report prepared by Jennie Wilkinson)

**PART 1 – KEY INFORMATION**

<b>PURPOSE OF THE REPORT</b>
To consider the principle of accepting a surrender of the lease over Carnarvon House, Carnarvon Road, Clacton-on-Sea.

<b>EXECUTIVE SUMMARY</b>
TDC have been approached by NHS Property Services who lease Carnarvon House requesting a surrender of the current lease. The property is currently vacant and rather than continuing to stand empty until the end of the current lease, NHS Property Services would like to surrender the Lease and had in back to TDC.

<b>RECOMMENDATION(S)</b>
That subject to Cabinet’s decision in Part B of this Agenda, the principle of the surrender of the Lease is agreed.

**PART 2 – IMPLICATIONS OF THE DECISION**

<b>DELIVERING PRIORITIES</b>
Accepting the lease surrender will reduce burden on NHS and therefore support health and wellbeing by effective services and improved public health.

<b>FINANCE, OTHER RESOURCES AND RISK</b>
<b>Finance and other resources</b> Financial terms for the surrender of the lease are set out in Part B of the Agenda.
<b>Risk</b> Risks associated with this transaction are set out in Part B of the Agenda.

<b>LEGAL</b>
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.

<b>OTHER IMPLICATIONS</b>
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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.

Empty property can lead to problems with anti-social behaviour and the deterioration of that property having a knock on affect in the local area.

**Area or Ward Affected**

Pier Ward

**Carbon Neutral by 2030**

Whilst an energy audit has not been carried out on this property, due to the age, construction and heating and cooling systems within the property, it is considered that it would have a large carbon footprint. The cost of retrofitting this property for energy efficiency would be high.

**PART 3 – SUPPORTING INFORMATION**

**BACKGROUND**

The freehold of Carnarvon House is owned by TDC. It has been leased to NHS Property Services since April 1994 and has been used as office space for their sub-contractors and health providers. Over the last several years the building has been underused as subcontracts and health providers changed and property has been rationalised. In May 2019 the last company vacated and the property has been vacant ever since.

**CURRENT POSITION**

The current lease to NHS Property Services is due to expire in March 2024, however, NHS Property Services would like to surrender the lease to TDC and give the property back early so their resources can be used elsewhere rather than on a vacant building. This will also provide TDC with the opportunity to do something else with the building now, rather than waiting until the end of the lease in 2024 with the building empty for another 3 years. Officers have negotiated terms for a lease surrender and these are set out in Part B of the Agenda.

**FURTHER HEADINGS RELEVANT TO THE REPORT**

None

**BACKGROUND PAPERS FOR THE DECISION**

None

**APPENDICES**

None