

# PORTFOLIO HOLDER FOR CORPORATE FINANCE AND GOVERNANCE

6 SEPTEMBER 2022

## REPORT OF THE CORPORATE DIRECTOR (OPERATIONS AND DELIVERY)

### A. NEW LEASE OF THE OLD LIFEBOAT HOUSE, EAST TERRACE, WALTON-ON-THE-NAZE

#### PART 1 – KEY INFORMATION

##### PURPOSE OF THE REPORT

To consider whether to, in principle, grant a new lease over The Old Lifeboat House, East Terrace, Walton-on-the-Naze.

##### EXECUTIVE SUMMARY

The Old Lifeboat House is owned by Tendring District Council and was Listed by Historic England in June 2018 at the request of a member of the previous tenant organisation. The property housed a museum for many years, however limited opening hours and lack of sustainable income levels meant that the lease was not renewed when it came to an end in 2020. Following this, a local organisation approached TDC and submitted their proposal to officers.

Initial terms, subject to decision, have been agreed and are included in the concurrent confidential report.

##### RECOMMENDATION(S)

It is recommended that:

**The Portfolio Holder for Corporate Finance and Governance agrees, in principle, the granting of a lease over The Old Lifeboat House, East Terrace, Walton-on-the-Naze.**

##### REASON(S) FOR THE RECOMMENDATION(S)

The property is currently vacant and the maintenance liability is therefore with Tendring District Council. If the property is let on a full repairing lease, the tenant will be responsible for all maintenance and the rent will provide the Council with a revenue income.

##### ALTERNATIVE OPTIONS CONSIDERED

Not to lease out the property.

#### PART 2 – IMPLICATIONS OF THE DECISION

##### DELIVERING PRIORITIES

The new lease will contribute to the following Council priorities:

- Use assets to support priorities
- Bring more opportunities to the local community.

##### OUTCOME OF CONSULTATION AND ENGAGEMENT

The local Ward Member has been made aware of this report and its recommendations.

**LEGAL REQUIREMENTS (including legislation & constitutional powers)**

Is the recommendation a Key Decision (see the criteria stated here)	NO	If Yes, indicate which by which criteria it is a Key Decision	<input type="checkbox"/> Significant effect on two or more wards <input type="checkbox"/> Involves £100,000 expenditure/income <input type="checkbox"/> Is otherwise significant for the service budget
		And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	25 April 2022

Section 123(1) Local Government Act 1972 indicates that, a local authority may dispose of land held by it in any way it wishes so long as (section 123 (2)) the land is disposed for a consideration not less than the best that can reasonably be obtained.

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.

**The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:**

**FINANCE AND OTHER RESOURCE IMPLICATIONS**

The detailed financial implications are considered in the concurrent confidential report.

**The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:**

**USE OF RESOURCES AND VALUE FOR MONEY**

The following are submitted in respect of the indicated use of resources and value for money indicators:

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	By granting a lease, the tenant will become responsible for the operation and maintenance of the building, taking this current responsibility from the Council.
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B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	The Lease will be managed by the Property Services Team who will carry out inspections to ensure that the lease terms are being complied with.
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	This lease will provide a revenue income to the Council which can be used towards supporting other Council priorities.
<b>MILESTONES AND DELIVERY</b>	
If it is agreed to proceed with a lease, then the legal team will be instructed to draft the lease and agree it with the incoming tenant's solicitors. It is anticipated a new lease could be completed within 3 months, whereby the new tenant will be in possession of and responsible for the property.	
<b>ASSOCIATED RISKS AND MITIGATION</b>	
It is not considered there is any significant risk to granting this lease.  If the lease is not granted, the vacant building is potentially more susceptible to antisocial behaviour and vandalism or falling into disrepair over a period of time. As this is a Grade II Listed property, the cost of repair both financial and time in applying for consents will be higher.	
<b>EQUALITY IMPLICATIONS</b>	
The proposed incoming tenant provides services and opportunities for people with additional needs who may not be able to access these services elsewhere.	
<b>SOCIAL VALUE CONSIDERATIONS</b>	
The granting of this lease will provide a community space for use by people with additional needs.	
<b>IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030</b>	
The granting of the lease will mean the Council is not responsible for the energy and running costs of the building and they are removed from the Council's direct carbon total.	
<b>OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS</b>	
<b>Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.</b>	
<b>Crime and Disorder</b>	Leasing the property and bringing it back into use should deter any anti-social behaviour that can incur when buildings are vacant.
<b>Health Inequalities</b>	The proposed incoming tenant provides services to people with disabilities who may not otherwise have access to educational and

	support networks.
<b>Area or Ward affected</b>	Walton

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

<b>BACKGROUND</b>
The previous tenant of the property returned it to TDC in 2020, having leased it for many years. TDC received interest for a new lease from an independent organisation and a proposal was submitted for officer review. The Heads of Terms for the new lease have been negotiated using the Council's standard lease template and full details are included in the concurrent confidential report.
<b>PREVIOUS RELEVANT DECISIONS</b>
None
<b>BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL</b>
None

<b>APPENDICES</b>
Appendix A – Location Plan

<b>REPORT CONTACT OFFICER(S)</b>	
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