

PORTFOLIO HOLDER FOR ASSETS

21 May 2024

REPORT OF THE CORPORATE DIRECTOR – OPERATIONS AND DELIVERY

A. TO AGREE THE PRINCIPLE OF A NEW LEASE OF THE NAZE KIOSK, OLD HALL LANE, WALTON-ON-THE-NAZE, ESSEX, CO14 8LE

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To consider whether to grant a new lease in respect of The Naze Kiosk, Old Hall Lane, Walton on the Naze, CO14 8LE, edged red on the plan in Appendix A.

EXECUTIVE SUMMARY

The Naze Kiosk is owned by Tendring District Council and has been leased for over 20 years. The kiosk is operating as a Café, serving hot and cold food and beverages, confectionary, along with selling gifts and beach requisites. The current tenant has operated from the property since 2010 and their lease term expired on 23rd March 2024.

Heads of Terms for a new lease have been negotiated and are included in the concurrent confidential report.

RECOMMENDATION(S)

It is recommended that: The Portfolio Holder for Assets agrees the principle of granting a new lease in respect of The Naze Kiosk.

REASON(S) FOR THE RECOMMENDATION(S)

The property has been rented to the current tenant for 14 years. It is in a fair condition and there are no outstanding rent payments.

ALTERNATIVE OPTIONS CONSIDERED

Not to lease out the property to the current tenant and to search for a new tenant.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The Council's current priorities include attracting visitors and encouraging them to stay longer. This café is an established business in the Naze location and adds to the attraction and choice of amenities for visitors.

The Council is also prioritising financial sustainability and openness. Property assets bring in rental income to the Council which is used to support budget costs.

OUTCOME OF CONSULTATION AND ENGAGEMENT

The Ward Member has been informed of this report and its recommendation.

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)	1 November 2023

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;	Rents in respect of the Council's non-housing property assets are agreed at open market rental values. Rent reviews on an open market rental basis are incorporated into new leases so
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	the Council continues to achieve market value for its assets throughout the life of the agreement.
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 both parties are complying with their obligations, as per the lease.
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.
MILESTONES AND DELIVERY	
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 tenant's solicitors. The tenant is keen to complete the lease as soon as possible in order to secure continuity of the business operation.	
ASSOCIATED RISKS AND MITIGATION	
Due to the proximity of the property to the top of the Naze cliffs, the proposed lease includes mitigations in this regard, the details of which are included in the concurrent confidential report.	
EQUALITY IMPLICATIONS	
<u>Granting a new lease to the current tenant, is not considered to have any equality implications.</u>	
SOCIAL VALUE CONSIDERATIONS	
The granting of this lease will continue to provide a socialising space for residents and visitors, as well as providing a number of summer employment opportunities.	
IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030	
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.	
OTHER RELEVANT CONSIDERATIONS OR 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	Should a new lease not be granted, the property will sit empty for a period time. Empty properties soon start to deteriorate and can become targets for antisocial behaviour
Health Inequalities	The continued operation of a café in this area adds to the amenity choice and benefits locals and visitors alike

Area or Ward affected	Walton
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PART 3 – SUPPORTING INFORMATION

BACKGROUND
<p>The property is located in a close proximity to the cliff edge, which continues to be affected by progressive erosion. This means that the property may become unsafe for the permitted use in the future. This will be taken into consideration in the new lease.</p> <p>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.</p>
PREVIOUS RELEVANT DECISIONS
None
BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL
None

APPENDICES
Appendix A – Location Plan

REPORT CONTACT OFFICER(S)	
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