

PORTFOLIO HOLDER FOR ASSETS

11 June 2024

REPORT OF THE CORPORATE DIRECTOR, OPERATIONS AND DELIVERY

A. NEW LEASE IN RESPECT OF LAND & PROPERTY, LOWER PROMENADE, MARINE PARADE EAST, CLACTON-ON-SEA

(Report prepared by Izaak Marshall)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To approve the principle of granting a new lease over Land & Property situated on the Lower Promenade, Marine Parade East, Clacton-on-Sea.

EXECUTIVE SUMMARY

TDC owns the freehold of the property situated on the Lower Promenade, Marine Parade East, Clacton-on-Sea, as shown edged red on the plan in Appendix A.

The previous tenant vacated in April 2024, following which a formal tender process was carried out. A full tender evaluation process has been conducted by two Officers from within Operational Services and a successful applicant has been identified as having the most robust proposal in relation to offering a diverse use of the property, creation of additional local jobs, how the business intends to reduce their carbon footprint as well as financial income to the Council.

It is proposed to grant a new lease to the successful tenderer, further details of which are included in the concurrent confidential report, along with details of all the proposals received.

RECOMMENDATION(S)

It is recommended that: The Portfolio Holder for Assets agrees the principle of the granting of a new lease over Land & Property situated on the Lower Promenade, Marine Parade East, Clacton-on-Sea.

REASON(S) FOR THE RECOMMENDATION(S)

The property is in a good condition and is located in a prime location along Clacton seafront with a high foot traffic area. With the summer season approaching, it is desirable for this property to be occupied, rather than have it vacant.

ALTERNATIVE OPTIONS CONSIDERED

To not lease the property and have it remain vacant. TDC would incur the cost of all building repairs and maintenance, along with business rates which become payable in July 2024, as well as a building in a prime location being closed for the summer season – not proposed.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The disposal will contribute to the following Council priorities:

- Financial Sustainability and Openness
- Promoting our heritage offer, attracting visitors and encouraging them to stay longer.

OUTCOME OF CONSULTATION AND ENGAGEMENT

The opportunity was advertised and an open tender carried out resulting in the receipt of 6 proposals for the property.

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)	10 th May 2024

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;	This is included in the concurrent confidential report.
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 incoming tenant is complying with their obligations as specified in their 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 TDC’s legal team will be instructed to draft a lease and liaise directly with the incoming tenant’s solicitors with regard to completion. The incoming tenant is keen to complete the lease as soon as possible so that they can start using the property.

ASSOCIATED RISKS AND MITIGATION

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. This will involve financial costs to carry out any necessary repairs and therefore it is not recommended to leave the building vacant.

EQUALITY IMPLICATIONS

This is considered not to apply to this disposal.

SOCIAL VALUE CONSIDERATIONS

The proposed tenderer has committed to hiring new employees from the local area, with the option to relocate employees to other locations within their wider business in off-season. The applicant has also committed to several carbon reducing initiatives, for example only using equipment that has an eco mode and moving towards biodegradable packaging across all their sites. They are also in talks to repurpose the coffee grounds they use rather than these going into their general waste.

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	If the property were not to be leased and to
---------------------------	--

	remain vacant, this could encourage anti-social behaviour.
Health Inequalities	This is considered not to apply to this disposal.
Area or Ward affected	Pier

PART 3 – SUPPORTING INFORMATION

BACKGROUND

The property was constructed in the 1960s and has been let for many years by way of long term leases. The previous lease expired on its contractual expiry date of 31st March 2024.

A full formal tender process was carried out with the property being advertised on the Council's website and social media pages for 4 weeks and anyone previously showing an interest in this type of property who had requested to be included in the Property Team's list sent details.

All proposals received have been assessed using the criteria that was published in the tender documents. The top scoring tenderer has been contacted and terms in accordance with their proposal agreed, subject to formal decision.

Full details of the tenders received, as well as summary of the terms are included in the concurrent confidential report.

PREVIOUS RELEVANT DECISIONS

None.

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

None.

APPENDICES

Appendix A – Location Plan.

REPORT CONTACT OFFICER(S)

Name	Izaac Marshall
Job Title	Trainee Assets Surveyor
Email/Telephone	imarshall@tendringdc.gov.uk 01255 686936