

Key Decision Required:	No	In the Forward Plan:	No
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CABINET

16 FEBRUARY 2018

REPORT OF THE PORTFOLIO HOLDER FOR FINANCE AND CORPORATE RESOURCES

A.8 GRANT OF LEASE OF KIOSK 6, LOWER PROMENADE, CLACTON-ON-SEA

(Report prepared by Matthew Wright)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To seek approval in principle for a new lease of the Kiosk 6 building, Marine Parade East Clacton-on-Sea. The site is shown edged red on the plan attached at Appendix A.

EXECUTIVE SUMMARY

The premises are currently vacant, the previous tenant having moved out in 2017.

The site has now been fully marketed including on site and press publicity. The kiosk was placed with a local agent and has benefitted from a full month marketing campaign. Tender packs were requested and sent out.

A formal tender process taking account of the proposed uses of the site, the visual impact of any changes to the site and the regeneration of the area as well as the proposed rental has been carried out.

A full tender evaluation process has been conducted by a panel which included officers from both Corporate Services and Operational Services. This process resulted in one tenderer being identified as the strongest in terms of use of the site, jobs creation, regeneration and financial gain. It is proposed to grant a lease of the site to this party, further details of the tenders and process are set out in the report in Part B of this agenda.

RECOMMENDATION(S)

That Cabinet approves the principle of the granting of a new lease of the site to the successful tenderer.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

This regeneration of the building will contribute to the following priorities:

- Local regeneration.
- Enable better job prospects.
- Make the most of our assets.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

Granting of the lease will provide rental income. Details of the terms of the proposed lease are set out in the report in Part B of this agenda.

Risk	
Risk	Control
Unless repair and maintenance works are undertaken the building will deteriorate and will be a blot on the promenade.	It is proposed that a lease is granted including requirements for the building to be repaired and maintained in line with tenderer's proposal.
Non-performance of obligations by the tenant.	Assessment of tenders has sought to take account of the deliverability of the various proposals. Performance will be managed through the terms of the lease
Financial failure of the tenant	Assessment of tenders has sought to take account of whether potential costs have been fully considered by the tenderers. Lease terms will provide for the reversion of the building to the Council in the event of bankruptcy.

LEGAL

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.

The General Disposal Consent (England) 2003 (Annex ODPM Circular 06/03) gives consent for disposal at below best consideration reasonably obtainable provided that the undervalue is less than £2m and the proposal enhances in at least one of the following ways: the environmental, economic or social wellbeing of the area.

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 Council has invited tenders including both financial and non financial proposals with a view to the potential use of the discretionary powers to accept a tender other than the highest one if the non financial benefits proposed make another tender more advantageous.

OTHER 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/Equality and Diversity/Health Inequalities/Consultation/Public Engagement

Crime and Disorder

Consideration has been given to the Crime and Disorder Act 1998. The productive use of the building will generate local employment and reduce opportunities for antisocial behaviour. There is therefore likely to be a marginal positive effect on crime and disorder.

Ward

St Pauls Ward

PART 3 – SUPPORTING INFORMATION

BACKGROUND

The kiosk 6 building was constructed in the 1960s and has been let for many years. The last full lease of the building was ended in 2014 with the surrender of the lease at expiry by the tenant. Since the sea defence works the kiosk has been let by licence.

The last tenants made significant improvements to the interior and exterior decoration.

The Council has marketed the site and conducted a formal tender process to find a tenant who will build on the quality of the building and business and pay a market rent for the trading opportunity.

The site was marketed by way of site and press publicity and the expertise of a local commercial agent. The tenders were then evaluated by a panel of TDC officers from both Corporate Services and Operational Services.

CURRENT POSITION

A full formal tender process was carried out including inviting all tenderers to submit their plans for the use of the site as well as financial proposals. The tenders were invited and have been assessed on the basis of financial considerations (rent) and non-financial considerations (proposals for increased services, building improvements and job creation) in the proportions 50% and 50% respectively.

Details of the tenders and terms are set out in the report in part B of this agenda.

It is proposed that Cabinet agrees the principle of the granting of a new lease.

FURTHER HEADINGS RELEVANT TO THE REPORT

None

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

Appendix A – Location plan.