PORTFOLIO HOLDER FOR ASSETS AND COMMUNITY SAFETY & PORTFOLIO HOLDER FOR CORPORATE FINANCE AND GOVERNANCE

28 July 2026

REPORT OF CORPORATE DIRECTOR FOR PLANNING AND COMMUNITY

A.1 SURRENDER OF THE LEASE OVER LAND AT GAS HOUSE QUAY, STOUR ROAD, HARWICH, CO12 3HF

(Report prepared by Izaac Marshall)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT
To consider the principle of accepting a surrender of the lease over land at Gas House Quay, Stour Road, Harwich, CO12 3HF.

EXECUTIVE SUMMARY
The Council has been approached by the tenant of the site at Gas House Quay with a request to surrender their current lease. The tenant has confirmed that they no longer have an operational use for the land and wish to bring the lease to an end early. Officers have undertaken negotiations with the tenant and have reached an agreement in principle that would allow the Council to regain possession of the site. Regaining control of the land will enable the Council to consider future opportunities for the property, including marketing it for a new long-term commercial tenant. Officers consider that there is potential for the site to be re-marketed for occupation.

RECOMMENDATION(S)
That the principle of the surrender of the Lease is agreed, on the terms and approvals as necessary and as set out in the related Part B report.

REASON(S) FOR THE RECOMMENDATION(S)
To enable the Council to regain possession of the site, prevent further liabilities from arising under the existing lease, and allow the property to be marketed to secure a new tenant who can make productive use of the land and pay a current market rent.

ALTERNATIVE OPTIONS CONSIDERED
To retain the current tenant - not proposed, as the tenant has confirmed they have no operational use for the site and wish to surrender the lease.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES			
The proposal supports the Council's priorities relating to: • Pride in our area and services to residents • Financial sustainability and openness			
OUTCOME OF CONSULTATION AND ENGAGEMENT (including with the relevant Overview and Scrutiny Committee and other stakeholders where the item concerns proposals relating to the Budget and Policy Framework)			
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**	☐ **Significant effect on two or more wards** ☐ **Involves £100,000 expenditure/income** ☐ **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)	TBD
Section 123(1) Local Government Act 1972 (1972 Act) 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:**		
No further comments in addition to the content of the report, following advice on the recommendations, which are supported.			
FINANCE AND OTHER RESOURCE IMPLICATIONS			
Early surrender of the lease will allow the Council to avoid ongoing liabilities associated with the existing lease and to bring the site back into productive use. The Council has received expressions of interest in the site over recent years, and it is considered unlikely that the property would remain vacant once marketed.			

☐	**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;	Regaining possession will allow the Council to re-let the site on a modern commercial lease, including 5-yearly upwards-only rent reviews, supporting long-term revenue generation.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	The proposal mitigates financial risk by ending a lease where future rental income is unlikely to be received.
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.	Re-letting the site will support wider Council priorities through increased commercial income.

MILESTONES AND DELIVERY

If approved, Legal Services will be instructed to prepare a Deed of Surrender and liaise with the tenant's solicitors. The intention is to complete the surrender by the end of 2026 and market the site in early 2027.

ASSOCIATED RISKS AND MITIGATION

Risks are primarily financial and relate to the ongoing liabilities of the existing lease. These are addressed through early surrender.

EQUALITY IMPLICATIONS

This is considered not to apply to this transaction.

SOCIAL VALUE CONSIDERATIONS

Future marketing of the site will encourage proposals that support local employment and environmental sustainability.

IMPLICATIONS RELATED TO DEVOLUTION AND/OR LOCAL GOVERNMENT REORGANISATION

The proposal supports effective asset management and ensures that Council-owned land is used in a way that maximises community benefit.

IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2050

The proposal supports the Council's long-term environmental objectives.

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	This is considered not to apply to this transaction.

Health Inequalities	This is considered not to apply to this transaction.
Area or Ward affected	**Harwich & Kingsway**

PART 3 – SUPPORTING INFORMATION

BACKGROUND
The tenant has requested an early surrender of the lease. Officers have undertaken negotiations and reached an agreement in principle that would allow the Council to regain possession of the site.
PREVIOUS RELEVANT DECISIONS
N/A
BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL
N/A

APPENDICES
None.

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