

DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	OPERATIONAL MANAGEMENT COMMITTEE	17 JANUARY 2017	5
RENEWAL OF THE LEASE OF BEACH TERRACE CAFÉ CAR PARK			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

The café has a 9 year lease of 33 car parking spaces within Fairhaven Road car park, for the use of its customers. The lease expired on 31 March 2015, but the tenant has the protection of the Landlord and Tenant Act 1954 which gives him a right of renewal on the same terms as the original lease, but at a current market rent. The tenant has requested a renewal on those terms.

RECOMMENDATION

1. It is recommended that a lease of 33 parking spaces at Fairhaven Road car park is granted to Anthony and Karen McLaughlin on the terms outlined in the attached heads of terms.

SUMMARY OF PREVIOUS DECISIONS

On 12th March 2008 Cabinet approved the grant of a 9 year lease of 33 car parking spaces to the tenants of Beach Terrace Café. The lease was backdated to March 2006.

CORPORATE PRIORITIES	
Spending your money in the most efficient way to achieve excellent services (Value for Money)	✓
Delivering the services that customers expect of an excellent council (Clean and Green)	✓
Working with all partners (Vibrant Economy)	✓
To make sure Fylde continues to be one of the most desirable places to live (A Great Place to Live)	
Promoting Fylde as a great destination to visit (A Great Place to Visit)	✓

REPORT

Background

1. For many years the tenants of the Beach Terrace Café have been granted the right to use 33 car parking spaces at Fairhaven Road car park for the benefit of their customers. This was originally an informal licence agreement, but since 2006 they have had a formal lease which has the protection of the Landlord and Tenant Act 1954. The lease gives the tenant a right of automatic renewal of the lease, on similar terms to the original agreement except that rent will be set at the market value at the commencement date of the new lease.
2. In accordance with this entitlement, the tenant has requested a new lease for a period of 9 years from 1 April 2015. The terms of the new lease have been provisionally agreed with the tenant and are summarised in the attached heads of terms. The rent of £3,750 p.a. is a relatively modest increase on the original rent of £3,300 p.a. which reflects a relatively static commercial property market over the term.

Legal Implications

3. This letting is subject to the Council's Land Transaction Procedure Rules which are included in the Constitution as Appendix 3, Part D. These require the leasing of property assets such as that referred to in this report to be exposed to the general market unless there are special circumstances. This letting is considered to meet this requirement as the tenant's legal right of renewal constitutes 'special circumstances'.
4. Section 123 (2) of the Local Government Act 1972 provides:
"Except with the consent of the Secretary of State a council shall not dispose of land under this section otherwise than by way of a short tenancy for a consideration less than the best that can reasonably be obtained."
5. In the opinion of the council's Principal Estates Surveyor the consideration in this transaction is the best that can reasonably be obtained.

IMPLICATIONS	
Finance	The proposed renewal of the lease, as described in this report and at an initial annual rental of £3,750, represents an increase in income to the council of £450 per annum which will be reflected in later updates to the financial forecast.
Legal	No implications
Community Safety	No implications
Human Rights and Equalities	No implications
Sustainability and Environmental Impact	No implications
Health & Safety and Risk Management	No implications

LEAD AUTHOR	TEL	DATE	DOC ID
Gary Sams, Principal Estates Surveyor	01253 658462	16 December 2016	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection

Attached documents

1. Heads of terms for the new lease.
2. Lease plan