

THE CHARITY KNOWN AS COBTREE MANOR ESTATE

COBTREE MANOR ESTATE CHARITY COMMITTEE

20 OCTOBER 2010

REPORT OF THE COBTREE OFFICER

Report Prepared by: Brian Latimer – Cobtree Officer

1. LEASE OF KIOSK - COBTREE MANOR ESTATE

1.1 Issue for Decision

1.1.1 To consider the response from the existing operator following Members decision relating to the extension to the existing lease of the Cobtree Cabin.

1.2 Recommendation of the Cobtree Officer

1.2.1 It is recommended that Members reconsider their previous decision and agree to a compromise position of extending the existing lease until 31 May 2014 at the agreed rental increased annually in line with inflation, and including a break clause in favour of the Council giving 6 months notice in the event of the site being required for the imminent development of a new café and/or multi-purpose building.

1.3 Reasons for Recommendation

1.3.1 At the last meeting of the Committee Members rejected a request from the operator of the Cobtree Cabin for an extension to the existing lease until May 2013. Members resolved that agreement be given to the renewal for a further twelve months until 6 August 2011.

1.3.2 On being informed of the Committee's decision the lessee responded by requesting that the Committee be asked to reconsider. The primary reasons for this request relate to a one-year term being unhelpful to the development of the business and resulting in additional and unnecessary costs.

1.3.3 The points referred to by the lessee in support of the request include:

- (i) The business has operated under various leases without default since 2002;
- (ii) The initial lease term was for a period of three years;
- (iii) The lessee has introduced a number of beneficial improvements to the premises and its surrounds at no cost to the Charity; a short term lease makes this more difficult to justify and to fund;
- (iv) It was the lessee who most recently offered an increase in the annual rental payment, and this suggestion was made in the expectation of the grant of a longer lease period; and,
- (v) The shorter lease period creates unnecessary costs and prevents better planning to carry the business forward.

1.3.4 The lessee's primary concerns relate to:

- (i) the recruitment and retention of good quality staff;
- (ii) the replacement and maintenance of the necessary equipment; and
- (iii) General repairs and maintenance of the building and the immediate surrounds.

All of which are made more difficult because of the lack of security of tenure and thus the uncertainty over whether any financial investment can be recovered over the current and future lease periods.

1.3.5 The lessee does refer to contact he has had with, and offers of support from, the Cobtree Charity Trust Limited. This, however, is not a material consideration for this Committee.

1.3.6 The previous lease period did in fact expired on 6 August 2010. To prevent any legal complications prior to Members possible reconsideration of their previous decision, your officers negotiated a further interim 3-month extension of the lease. The final decision of the Committee will need to be implemented prior to 16 November 2010.

1.3.7 The primary concern for the Charity is to ensure that any extension to the existing lease does not impinge on the timetable for implementing the proposed enhancements to the Cobtree Manor Park. In considering this point, and to seek a

satisfactory compromise, it is considered most unlikely that the construction of a new café/multi-purpose facility will be ready to start on site prior to May 2012; and it is more likely to be much later within the priorities laid down by Members.

- 1.3.8 It is therefore recommended that Members consider the granting of a longer lease, perhaps until 31 May 2014. This to be at the agreed rental increased annually by inflation and, more importantly, including a break clause in favour of the Council to give 6 months notice in the event of the site or its environs being required for the imminent development of a new café and/or multi-purpose building.
- 1.3.9 Should the above prove not to be acceptable; either to Members or to the lessee; it is then further recommended that the opportunity to operate a café facility at the site on an annual basis, on similar terms and conditions to the existing lease, be advertised in the local press, and that the Chairman be granted delegated authority, in consultation with the Assistant Director of Environment and Regulatory Services to take the necessary actions to implement such decision.
- 1.4 Alternative Actions and Why Not Recommended
- 1.4.1 The alternative course of action is set out in the report. This is not recommended as it is unlikely that funding will be available to construct a replacement facility prior to the conclusion of the recommended period, and may result in the cessation of the service if an alternative operator cannot be found.
- 1.5 Impact on Charity Objectives
- 1.5.1 The provision of the café facility enhances the attractiveness of the Cobtree Manor Park and thus assists in better meeting the objects of the Charity by increasing the number of visitors.
- 1.6 Risk Management
- 1.6.1 There are no appreciable risks to the Charity from allowing the existing café to keep operating in the short term. The total loss of this facility will, however, have a detrimental impact on the number of visitors to the Cobtree Manor Park and result in a minor reduction in annual income.

1.6.2 Other Implications

Financial	<input checked="" type="checkbox"/>
Staffing	<input type="checkbox"/>
Legal	<input checked="" type="checkbox"/>
Social Inclusion	<input type="checkbox"/>
Considerations for Disabled Persons	<input type="checkbox"/>
Environmental/Sustainable Development	<input type="checkbox"/>
Community Safety	<input type="checkbox"/>
Human Rights Act	<input type="checkbox"/>
Procurement	<input checked="" type="checkbox"/>

1.6.3 There will be a small increase in income to the Charity if there is an extension to the existing lease. The level of income to the Charity may vary if the lease is subjected to open tender.

1.6.4 The existing, or future, leaseholder will be required to enter into a new lease agreement.

1.6.5 It is considered that an extension to the existing lease can be justified without the need to go to open tender.

Background Documents

NO REPORT WILL BE ACCEPTED WITHOUT THIS BOX BEING COMPLETED

Is this a Key Decision? Yes No

If yes, when did it appear in the Forward Plan? _____

Is this an Urgent Key Decision? Yes No

Reason for Urgency