



Operational Officer Decision Record

Where the decision has a financial value of between £100k - £350k and does not have a **significant** impact on two or more wards

1. Subject and details of the matter (to include reasons for the decision and detail of any previous cabinet decision)

Chalet 257, Humberston Fitties Chalet Park

Current Situation

Management of the use and payment of all charges for the Chalet is through Children's Services 'Short Term Break Service' and used for respite holidays for children and their families.

Presently there is no ground lease in place for the subject premises (as outlined red on the attached plan at Appendix One) and the Council are occupying under implied terms.

Tingdene are requesting a formal ground lease be put in place, in line with all other chalets. At present, without a ground lease in place, there is a risk that the Council do not have continued security of tenure at the premises and could be forced to leave at relatively short notice.

Proposed Ground Lease

Tingdene have offered the Council a ground lease on the following standard terms:

Demise: Chalet 257, Cleethorpes Chalet Park, Fitties, Humberston.

Parties: Tingdene Holiday Parks Limited (Landlord) and North East Lincolnshire Council (Tenant).

Lease Term of Years: 65 years at 0% (Nil) premium

Rent payable means: The Initial Rent shall be for the period 1 January 2019 to 31 December 2019 the sum of One thousand six hundred pounds (£1,600.00) per annum.

For the period 1 January 2020 to 31 December 2020 the sum of One thousand nine hundred pounds (£1,900.00) per annum

For the period 1 January 2021 to 31 December 2021 the sum of Two thousand two hundred pounds (£2,200.00) per annum., and, for the avoidance of doubt, in the Lease is vested in You on the 31 December 2021, the Initial Rent payable from and including 1 January 2022 shall be the sum of Two thousand four hundred pounds (£2,400.00) per annum exclusive of VAT.

Rent Review: 1st January 2022 and in every year of the Term thereafter;

User Clause: Use for holiday purposes or such other use as may be approved by the Landlord.

Repairing obligations: Fully Repairing by the Tenant.

2. Decision being taken

That a ground lease is agreed between Tingdene and North East Lincolnshire Council to provide security of tenure for 65-years at Nil premium for the Council to continue to use the chalet.

3. Anticipated outcome(s)/benefits

Completion of a 65-year ground lease for a Nil premium of Chalet 257, Humberston Fitties between Tingdene Holiday Parks Limited and North East Lincolnshire Council.

4. Details of any alternative options considered and rejected by the officer when making the decision

The Council could remain in occupation without a ground lease; however the Landlord may serve a 'Notice to Quit' at short notice and the Council could be forced to sell the asset and lose a Children's Services service provision.

5. Background documents considered (web link to be included or copies of documents for publishing)

None.

6. Does the taking of the decision include consideration of Exempt information? If yes, specify the relevant paragraph of Schedule 12A and the reasons

No, the report is Open and will be published once the ground lease completes.

7. Details of any conflict of interest declared by any Cabinet Member who was consulted by the officer which relates to the decision (in respect of any declared conflict of interest, please provide a note of dispensation granted by the Council's Chief Executive)

None.

8. Monitoring Officer Comments (Monitoring Officer or nominee)

The retention of the chalet has the support of the Director for Children's Services and assurances have been received that income adequately covers off expense.

Legal Services will ensure that lease documentation reflects the above terms and protects the position of the Council so far as is reasonably commercially possible.

9. Section 151 Officer Comments (Deputy S151 Officer or nominee)

The ground lease would be offered at nil premium and protect the Council by avoiding a need to sell the chalet that is situated on the site at short notice. The Council would be tied into annual rental payments on the terms outlined above unless the lease could be assigned. Annual rental would be borne by the Children's services budget.

10. Human Resource Comments (Head of People and Culture or nominee)

There are no direct HR implications

11. Risk Assessment (in accordance with the Report Writing Guide)

Risk assessment is identified as a part of the Council's risk process under the Project Management Framework. Risk assessments will be picked up by the occupying Service in relation to use and EQUANS/ the contractor for any works.

12. If the decision links to a previous one taken by Cabinet, has the Cabinet Tracker been updated?

N/A

Name: Sharon Wroot

13. Decision Maker:

Title: Executive Director of Economy,
Environment and Resources

Signed: REDACTED

Dated: 3rd February 2022

**14. Consultation carried out with
Portfolio Holder:**

Name: Cllr Stanley Shreeve

Title: Deputy Leader of the Council
and Portfolio Holder for Finance,
Resources and Assets

Signed: REDACTED

Dated: 3rd February 2022

APPENDIX ONE – Site Location Plan

