

Cabinet Report - North Norfolk Visitor Centre Letting - 06/05/2025	
Executive Summary	<p>Following the Cabinet decision 20/01/25 to cease operation of the visitor information provision at the North Norfolk Visitor Centre (NNVC) and advertise it to let.</p> <p>This report has been prepared to allow Cabinet to review the offers received for the property and make a decision on its future use.</p> <p>Following advertising of the premises on the open market, eight bids were received for the lease of NNVC. Due diligence has been undertaken on each of these bids with Proposal 1 being considered to offer the best financial consideration and offers wider social and economic benefits to the district. If Proposal 1 does not progress it is recommended options 2-8 should be reconsidered.</p>
Options considered	<p>A variety of bids with different use options have been received and considered in detail.</p> <ol style="list-style-type: none"> 1. Proposal 1 (Dentist) outlined in the exempt Appendix A would demonstrate best financial consideration in accordance with s.123 Local Government Act 1972 and is the option recommended by officers 2. The remaining proposals are not considered to present the best financial consideration. They should however be considered in the event that the lease for Proposal 1 is not secured. <p>An alternative option to dispose of the premises was considered and discounted due to the lettable space forming part of the public convenience which the Council wishes to retain and the potential for the space to generate a good level of rental income.</p>
Consultation(s)	<p>Cllr Lucy Shires - Portfolio Holder for Finance, Estates & Property Services. Cllr Tim Adams- Leader of the Council - Portfolio Holder for Executive Support & Legal Services. Tina Stankley- Director for Resources & S151 Officer Cara Jordan - Monitoring Officer Steve Blatch – Chief Executive</p>
Recommendations	<p>Resolution for Cabinet to approve:</p> <ul style="list-style-type: none"> • Approval to enter into the lease set out Proposal 1 as outlined in the Exempt Appendix A which demonstrates best consideration and in accordance with s123 of the LGA Act 1972, with delegated approval granted to the Asset Strategy Manager to agree the exact terms for the legal agreement.

	<ul style="list-style-type: none"> Approval to grant delegated approval to the Portfolio Holder for Finance, Estates & Property Services in consultation with The Chief Executive to enter into one of Proposals 2-8 in the event that Proposal 1 does not proceed.
Reasons for recommendations	<p>Leasing the property utilises the space made available by ceasing the tourist information centre provision generating income that can be used to fund Council Services.</p> <p>Granting delegated approval to the Portfolio Holder for Finance, Estates & Property Services in consultation with The Chief Executive to enter into one of Proposals 2-8 in the event that Proposal 1 does not proceed allows a decision to be made in the event that neither Proposal 1 does not progress to avoid unnecessary delay.</p>
Background papers	NA

Wards affected	Cromer Town being the ward in which the property is located, but the future use has the potential to impact on surrounding wards and the wider district.
Cabinet member(s)	Cllr Lucy Shires
Contact Officer	Milo Creasey (Surveyor) Renata Garfoot (Estates and Asset Strategy Manager)

Links to key documents: Visitor Information Service – Cabinet Report 20/01/2025: https://modgov.north-norfolk.gov.uk/documents/s20119/Visitor%20Information%20Centre.pdf	
Corporate Plan:	<p>A strong responsible and accountable Council</p> <ul style="list-style-type: none"> We will ensure the Council maintains a financially sound position, seeking to make best use of its assets and staff resources, effective partnership working and maximising the opportunities of external funding and income.
Medium Term Financial Strategy (MTFS)	The recommendations in this report are expected to provide the Council with a good level rental income while also reducing its operational and repair liability costs for the Property.
Council Policies & Strategies	Asset Management Plan 2018 - 2022

Corporate Governance:	
Is this a key decision	Yes
Has the public interest test been applied	<p>Exempt appendices</p> <p>Information in this appendix involves the likely disclosure of exempt information as defined in paragraph 3, Part 1 of schedule 12A (as amended) to the Local Government Act 1972.</p> <p>This paragraph relates to:</p> <p style="padding-left: 40px;">Para 3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)</p> <p>The public interest in maintaining the exemption outweighs the public interest in disclosure for the following reasons:</p> <p style="padding-left: 40px;">The information is commercially sensitive, relating to bids and consideration of bids. Releasing this information would be likely to prejudice would be likely to have a prejudicial impact upon those businesses as well as the Council in obtaining best value.</p>
Details of any previous decision(s) on this matter	<p>Visitor Information Service – Cabinet Report 20/01/2025</p> <p>Decision - Advertise the premises occupied by the Visitor Information Centre service as available for let with expressions of interest invited by Friday 28 March 2025.</p> <p>Reason - To make financial savings from a service that is discretionary, considered to no longer to present value for money due to the changing way in which visitors access information and to generate additional income from the asset that would be vacated due to the termination of the service.</p>

1. Purpose of the report

- 1.1. Following the Cabinet decision 20/01/25 to cease operation of the visitor information provision at the North Norfolk Visitor Centre (NNVC) and advertise it to let, the property was marketed for a period of 6 weeks.
- 1.2. During the property marketing period, the Council was contacted by nineteen interested parties, resulting in eight proposals to lease the property.

- 1.3. This report has been prepared to allow Cabinet to review the offers received for the property and make a decision on its future use.

2. Introduction & Background

2.1. Property Information

- 2.1.1. Location -The NNVC is in a prominent location in the centre of Cromer on a key thoroughfare into the town centre and the seafront. It is adjacent to the Meadow public car park on which over 140,000 parking tickets were sold in 2024. The building is also within walking distance of both Cromer train and bus stations.

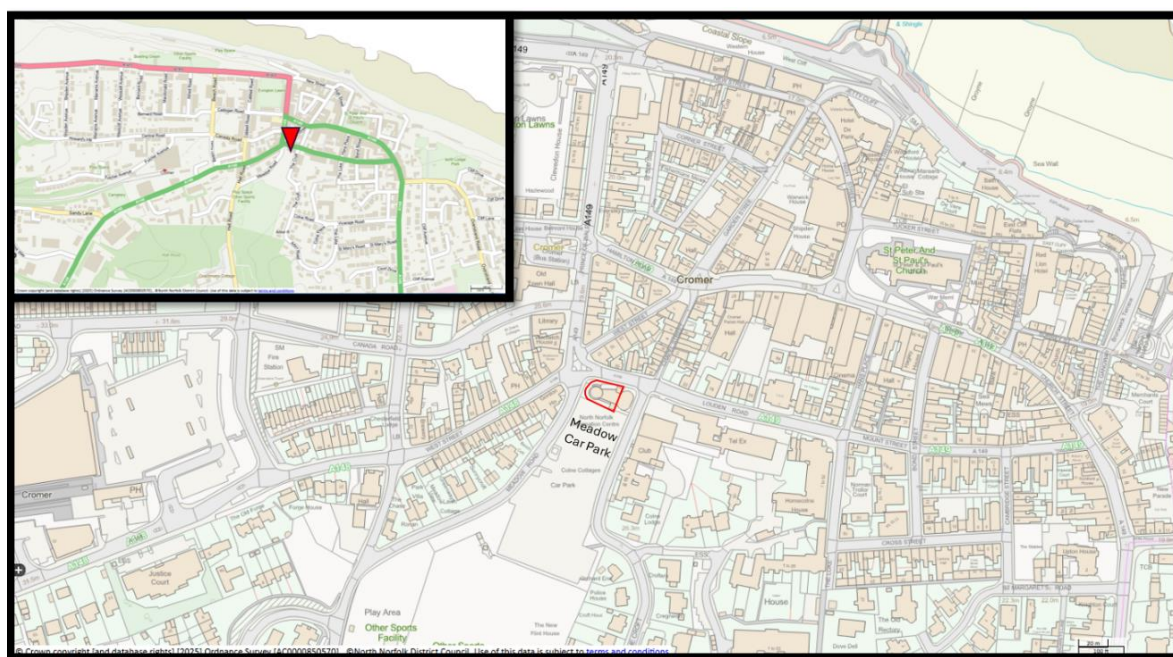


Figure 1: NNVC Location plan – Property identified by red market and red outline

- 2.1.2. The NNVC building comprises of 2 blocks either side of a shared walkway that is accessible from both the north and south. The western block is the main retail space that the Council is seeking to let. The majority of the eastern block is taken up by the public conveniences and service areas for the building, however there is a small staff breakout area and toilet within this block that is proposed to be included in the lease demise. The red areas on the plan below show proposed area to be let.

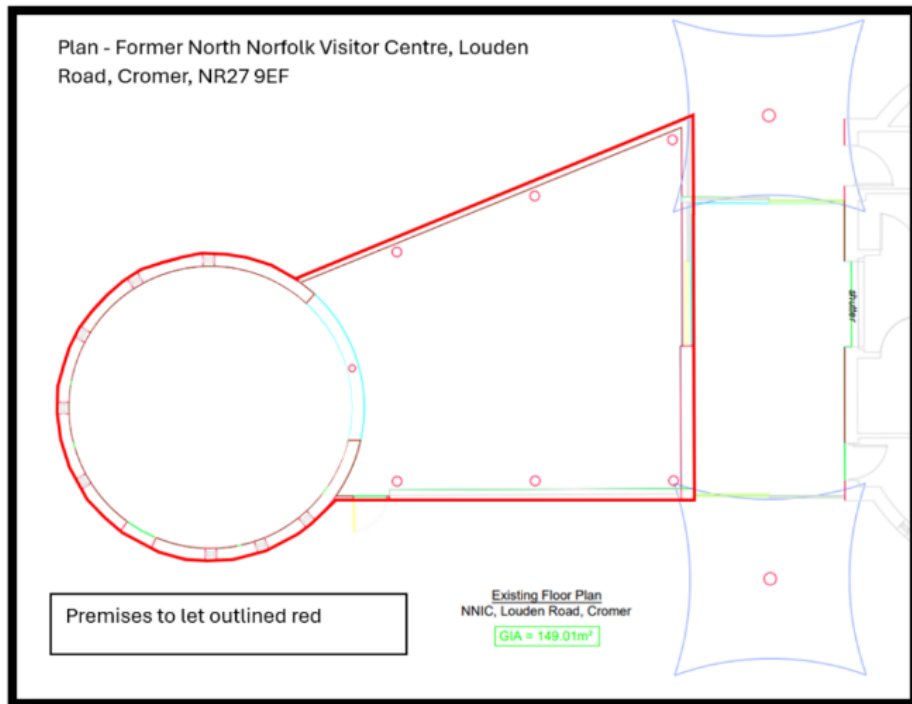


Figure 2: NNVN Property to let plan – Property identified by red market and red outline (main retail section)

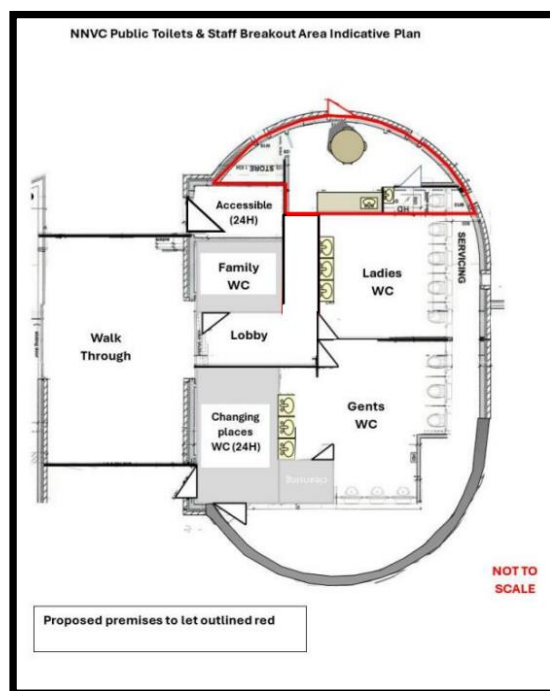


Figure 2: NNVN Property to let plan – Property identified by red market and red outline (staff breakout section)

2.1.3. Age and description - The NNVN building is single storey, formed predominantly from glass curtain walls and circular rendered block walls, with a flat roof and a slate tiled conical roof. The building was constructed in 2008 as a bespoke tourist information centre.

2.2. Planning - The buildings current use is as a tourist information centre (considered Sui generis). It is anticipated that all of the proposals submitted would require consent for alternative use and any alterations.

- 2.3. Decision to close - The decision to cease the tourist information service to make financial savings from a service that is discretionary, considered to no longer to present value for money due to the changing way in which visitors access information and to generate additional income from the asset that would be vacated due to the termination of the service.
- 2.4. Proposed letting - The Council has been advertised the property on the open market in order to achieve best consideration. The proposals received have been outlined in section 3 of this report.
- 2.5. The Council intends to retain public toilet facilities in this building. Consequently, any tenancy will be offered on an internal repairing basis.

3. Proposals and Options

- 3.1. Following advertising of the premises on the open market, eight proposals were received from a range of businesses as outlined below. A summary of these proposals can be found in the exempt Appendix A.
 - Bakery with takeaway
 - Café/Restaurant
 - Dentist
 - Osteopath
 - Real ale pub
 - Retail and community hub with food and drink offering.
 - Retail (Merchandise)
- 3.2. Officers have reviewed and assessed the bids for best consideration taking into account the requirements of Section 123 of the Local Government Act 1972 and the General Disposals Consent Order 2003 which considers issues of economic, social and environmental well-being.
- 3.3. Recommended Proposals
 - 3.3.1. Following the assessment outlined in 3.2 it is recommended that Cabinet provide approval to enter into a lease agreement as outlined in Proposal 1 (Dentist) in Exempt Appendix A. This proposal is considered to provide the best financial consideration. In addition, the proposal offers wider social and economic benefits to the district.
 - 3.3.2. In the event that Proposal does not proceed it is recommended that delegated approval is granted to the Portfolio Holder for Finance, Estates & Property Services in consultation with The Chief Executive to enter into one of Proposals 2-8 outlined in the Exempt Appendix A.
- 3.4. Freehold Disposal
 - 3.4.1. An alternative option to dispose of the premises was considered and discounted due to the lettable space forming part of the public

convenience which the Council wishes to retain and the potential for the space to generate a good level of rental income.

4. Corporate Priorities

- 4.1. The letting of the asset will contribute to the following Corporate Priority: A strong, responsible and accountable Council.

“We will ensure the Council maintains a financially sound position, seeking to make best use of its assets and staff resources, effective partnership working and maximising the opportunities of external funding and income.”

5. Financial and Resource Implications

- 5.1. The rental income from the recommended proposals will support the MTFS in creating new income.
- 5.2. The Council has a duty under s.123 Local Government Act 1972 to obtain best value. The starting position is that best financial consideration be obtained, though a departure from this may be permitted in certain circumstances, including where it is considered, following professional opinion, that the disposal is likely to achieve one of the objectives in the General Disposals Consent Order 2003, one of which is where the disposal is likely to contribute to the promotion or improvement of social well-being in the whole or part of its area, of all or any residents in its area.
- 5.3. An independent valuation of the premises for lease purposes has been undertaken to ensure the Council complies with its obligation to obtain best consideration.
- 5.4. For all proposals the Council may be required to undertake some facilitating works to segregate the buildings. A budget is required for these costs which are expected to be in the region of £8,000. This excludes costs associated with increased capacity to services which may be required by some proposals.
- 5.5. Each of the proposals involve some level of investment in property from the applicant.
- 5.6. A service charge will apply to cover the tenant's proportionate share of costs related to structural repairs, maintenance, and shared services for the building. Precise costings are unavailable at this time, as they will depend on the eventual use of the premises. This will result in a saving for the Council's operational costs at the building.

Comments from the S151 Officer:

The S151 Officer (or member of the Finance team on their behalf) will complete this section.

The options have all been evaluated and Option 1 is the preferred option which is considered to offer the best consideration. Additionally, Option 1 provides a much-valued service to the community and would create a number of jobs.

6. Legal Implications

- 6.1. In line with the provisions of the Local Government Act 1972 Local Authorities are able to dispose of land (including leasing) for the best consideration that can reasonably be obtained. Best consideration is not limited to the purchase price or rental value but may include a term or condition attached to the disposal which identifies a specific commercial benefit to the vendor.
- 6.2. Exceptions to the best financial value principle, in relation to this specific case, is with either consent from the Secretary of State, or utilising The LGA 1972 General Disposal Consent that enables the Council to consider a lease disposal at less than best financial consideration if there are clear environmental, social or economic benefits and that the under value is less than £2,000,000.
- 6.3. Where an offer at less than best consideration is considered the Subsidy Control Act 2022 may apply. Whilst a Minimal Financial Assistance (MFA) allows public authorities to award low-value subsidies up to £315,000 in certain instances and where the subsidy is over £100,000, such decisions are subject to transparency rules.
- 6.4. Legal advice has been obtained regarding the Councils public law obligations for the lease of the premises - See Exempt Appendix B.

Comments from the Monitoring Officer

The Monitoring Officer (or member of the Legal team on behalf of the MO) will complete this section.

This report considers the options for letting the building known as North Norfolk Visitor Centre building, and highlights the requirement to consider the best value considerations under s.123 Local Government Act 1972

7. Risks

- 7.1. Financial risks of void costs if the building is to remain empty. Furthermore, over time the building would become an increasing repair liability.
- 7.2. Usual asset management risks include rent arrears and tenant dilapidations, have been considered as part of the due diligence.
- 7.3. Further risks are outlined in the Exempt Appendix A.

8. Net Zero Target

- 8.1. The EPC rating will be assessed as part of tenant improvement works and will be required to meet the Minimum Energy Efficiency Standards.
- 8.2. The building has a ground source heat pump is expected to be retained and continue to provide heating to both the let unit and the public convenience. There is no gas supply at this property.
- 8.3. The Council uses a green lease template that will require tenants to positively contribute to the Council's Net Zero priorities and not undertake works to the premises that might have a negative impact. This document will be utilised for this letting.
- 8.4. All of the proposals received are anticipated to result in higher energy consumption at the property with some of the proposal expected to result in significantly higher consumption. This will result in a detrimental impact on the Council's 2030 Net Zero Target.

8.5. Summarised findings from the Climate Impact Assessment Tool

Criteria	Score	Justification	Mitigation
GHGs	-2	Energy consumption from the unit will no longer be attributed to the Council's direct electricity consumption; however, it will still be categorised under Scope 3 (tenant) emissions, thereby increasing the Council's carbon figures	0
GHGs 2045	-4	<p>The increase is currently unknown; however, depending on the tenant selected, all proposed uses are expected to be more energy-intensive than the existing use (e.g., café, medical facility, pub retail, restaurant—all are likely to consume more energy than the TIC).</p> <p>The recommended Proposal 1 is not expected to significantly increase the GHG emissions produced. In contrast, Proposal 2 which may have a greater impact on GHG emissions.</p> <p>Transportation of goods and staff travel to the building may result in impacts beyond the building's immediate location; however, these effects are currently unknown. Some proposals may also generate more waste compared to the current use, which would negatively affect GHG emissions.</p>	<p>There is no on-site gas supply. Heating is provided via a ground source heat pump. The electrical supply is covered under the Council's green tariff which is sourced from renewable energy. The lease will incorporate green clauses, requiring tenants to collaborate positively with the Council, sharing data with the goal of minimising GHG emissions. Tenants will also be encouraged to reduce waste and maximise recycling wherever possible.</p>
Air quality	0	<p>The exact outcomes are unknown. There may be an increase in pollution from deliveries and staff transportation; however, it is not possible to confirm whether this increase will exceed the impact of the existing use or to quantify it.</p> <p>Proposal 1 (Recommended) is not expected to have a significant impact, while Proposal 2 is anticipated to have a greater impact in association with goods deliveries.</p>	0
Sustainable Transport	4	<p>The exact impact is unknown; however, Proposal 1 could result in a net positive effect, as the local provision may lead to fewer vehicle journeys needed to access the service. Some other proposals could potentially increase car journeys by customers; however, the central town location is likely to encourage the use of active travel methods and public transport.</p> <p>The premises are situated adjacent to existing vehicle charging points, which may benefit customers visiting the site.</p>	0
Land use change	0	The building is existing, and the footprint and ground surfaces are not expected to change	0

Biodiversity	0	No net change expected as the building footprint will not change. Some proposals may result in increases in litter.	If there is a risk of increased litter the prospective tenant will be required to mitigate this through the appropriate provision of waste disposal to staff and customers.
Soil and waterway health	0	None of the proposals are anticipated to result in impacts on soil and waterway health beyond the current impact from the building.	0
Climate Change Adaptation	0	The proposed uses are not anticipated to impact our ability to withstand future climate change impacts.	0
Energy Use	-4	The building has underfloor heating powered by a ground source heat pump and will remain on the Council's energy contract, which is currently 100% sourced from renewables. (If NNDC's tariff changes in the future, fossil fuels may be used.) While the exact energy consumption is unknown and will depend on the proposal selected, all uses are expected to result in increased energy consumption. Certain proposals—such as a bakery, restaurant, or café—are anticipated to consume significantly more energy due to the use of kitchen equipment.	For all proposals the building will be assessed to ensure it meets the Minimum Energy Efficiency Standards.
Energy Use 2045	-4	The building has underfloor heating powered by a ground source heat pump and will remain on the Council's energy contract, which is currently 100% sourced from renewables. (If NNDC's tariff changes in the future, fossil fuels may be used.) While the exact energy consumption is unknown and will depend on the proposal selected, all uses are expected to result in increased energy consumption. Certain proposals—such as a bakery, restaurant, or café—are anticipated to consume significantly more energy due to the use of kitchen equipment.	For all proposals the building will be assessed to ensure it meets the Minimum Energy Efficiency Standards.
Sustainable Materials	0	The Council will not directly source materials for any building fit-out. Wherever possible, the equipment currently in the building is being recycled or reused. Applicants were asked to provide details of any environmental benefits their proposals might offer; however, none explicitly suggested using sustainably sourced materials for the fit-out or works to the building.	The Council will propose the inclusion of green lease clauses, encouraging the applicant to collaborate with the Council to minimise the environmental impact of their occupation. Additionally, the Council will encourage the chosen applicant to use: - Materials sourced from sustainable, renewable origins. - Materials with low levels of associated carbon emissions, known as embodied carbon. - Materials that have minimal environmental impact upon disposal.
Waste	-2	All proposals will likely lead to increased waste being produced from the occupation of the property. With some of the proposals (Bakery, restaurant, café) generating a significantly higher quantity of waste.	The waste produced from the use of this building will be under the control of the selected tenant. The Council will encourage waste to be minimised and recycled where possible. Proposal 8 involves the resale of products.

9. Equality, Diversity & Inclusion

- 9.1. Having marketed the premises on the open market and all bids have been assessed on equal terms, there are no direct implications with the proposed lease. The ingoing tenant will need to comply with relevant legislation in connection with the operation of their business.

10. Community Safety issues

- 10.1. There are no community safety issues identified with the recommended proposals.

11. Conclusion

- 11.1. Following advertising of the premises on the open market, eight bids were received for the lease of NNVC. Due diligence has been undertaken on each of these bids as outlined in Appendix A. With proposal 1 being considered to offer the best financial consideration. In addition, the proposal offers wider social and economic benefits to the district.

12. Recommendations

- 12.1. The recommendation is for Cabinet to provide approval to enter into a lease agreement as outlined in Proposal 1 (Dentist) in Exempt Appendix A.**
- 12.2. If Cabinet are minded to agree with the above recommendation, it is also recommended that they agree to grant delegated approval to the Asset Strategy Manager to agree the exact terms for the legal agreement.**
- 12.3. In the event that Proposal 1 does not proceed it is recommended delegated approval is granted to the Portfolio Holder for Finance, Estates & Property Services in consultation with The Chief Executive to enter into one of Proposals 2-8.**