

**Report to:** Leader of the Council

**Date:** 21 November 2018

**Title:** Peacocks store, Newhaven Square

**Report of:** Director of Regeneration and Planning

**Cabinet member:** Councillor Andy Smith, Leader of the Council

**Ward(s):** Newhaven Valley

**Purpose of report:** That the Leader delegates authority to the Director of Regeneration and Planning to negotiate an agreement for the Peacocks store in Newhaven Square to remain open on a rent-free basis until the end of the existing tenancy.

**Decision type:** Non-key

**Officer recommendation:** That it be agreed Peacocks store in Newhaven Square be allowed to occupy rent free until the end of the existing tenancy

**Reasons for recommendation:** Closure of the Peacocks store would be at odds and could adversely affect the Council's wider desire to regenerate the Newhaven Town area.

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## **1 Introduction**

- 1.1 Peacocks hold a lease with the Council that expires in January 2020; annual rent is currently £41,250.
- 1.2 The store is significantly challenging for Peacocks as it trades poorly and costs the chain money to keep open. As a result of this and generally difficult trading conditions, the Council has been informed that Peacocks management will soon be closing the store unless it can trade rent-free until the end of the lease period. Peacocks have been clear that this is non-negotiable and an agreement is needed as a matter of urgency in order to prevent close down of the store commencing.

## **2 Proposal**

2.1 The Council has two choices for the immediate future of the store:

- a) Peacocks continue trading: this would require the Council to forgo rent on the property. Peacocks would continue to pay other outgoings such as business rates and insurance. Peacocks have offered a rolling Landlord break on 3 months' notice, so there would be the possibility of the property returning to the Council at reasonably short notice if required.
- b) Peacocks ceases trading: Peacocks would close the doors but would still be liable for rent and other outgoings.

2.2 The Council has an over-arching ambition to regenerate the Newhaven Town area. Although Peacocks may have limited footfall in Newhaven Square, it is important to keep vacant units to a minimum and therefore it is recommended that the Council forgo rent to enable this to happen. If the shop closes, this could adversely impact the wider regeneration plans; this would be a one-off decision in view of the particular special circumstances associated with Peacocks store in Newhaven Square.

## **3 Equality analysis**

3.1 There are no equality issues associated with this report

## **4 Background papers**

None