

Transformation Project - Future direction of the Council's relationship with Torbay Leisure Centre

Appendix 1 – section 7 Financial Implications – Explanatory Note

The loan being sort is over a 25 year period although the lease being proposed is for 11.5 years. Subject to the agreement of the final heads of terms for the loan, the expectation is that over the two loans Parkwood will be making repayment so both principal and interest. At the end of the proposed 10 year contract term there will be a balance outstanding that will be owed by Parkwood. The council would expect that loan to be repaid by the company. If in a circumstance the provider is unable to pay then the council will seek to recover from the company. Any irrecoverable amount will be a cost that the council will have to fund. In this situation the council will retain the building and the value of any work undertaken funded from the loan.