

Record of Officer Decision

Developing a resilient future for Torquay Pavilion

Decision Taker and Date Decision Taken:

Director of Pride in Place in consultation with the Cabinet Member for Place Development and Economic Growth and the Director of Finance, on 13 May 2024.

Summary of Matter or Issue Requiring Decision:

Cabinet on 13 February 2024 agreed to:

1. To delegate to the Director of Pride in Place, in consultation with the Cabinet Member for Place Development and Economic Growth and the Director of Finance, agreement of the final heads of terms for the surrender of the lease in respect of the Pavilion. (the draft heads of terms are set out at exempt Appendix 1).
2. That the Director of Pride Place seek expressions of interest from investors and occupiers, to work with the Council for uses aligned to the Torquay Town Investment Plan 2020 with this process to begin before the end of February 2024.
3. That the Director of Pride in Place prepares a funding strategy for the restoration of the Pavilion.

Negotiations have been taking place to reach an agreement with MDL for the surrender of the lease in respect of the Pavilion. The negotiations have reached the point where both parties have agreed final heads of terms thereby enabling the Director of Pride in Place to give effect to 1. above.

Decision Taken:

That the final heads of terms for the surrender of the lease in respect of the Pavilion be approved.

Summary of Reason(s) for Decision Taken:

Torquay Pavilion has been empty and unused since 2013. The property was leased to Marina Developments Ltd (MDL) on a 99-year lease from January 1985. The Council has been working with MDL to find a solution which would see the restoration of the Pavilion and ultimately bring this important landmark building back into use.

The Pavilion has extensive repair and maintenance needs with the cost of repairs a significant obligation. Under the Lease, neither the landlord nor the tenant has responsibility for inherent defects. Therefore, over many years, there has been a stalemate on this matter. In the summer of 2021, MDL and Torbay Council entered a Memorandum of Understanding (MOU), whilst not legally binding, essentially meant the initial costs to fully re-evaluate the condition of the Pavilion were split 50/50, up to a cap of £250,000 for each party. The MOU set out various actions and milestones, that meant proposals would come forward in a timely manner. This was predicated on an assumed repair cost of circa £3,500,000 which was a figure used to inform the inclusion of the Pavilion in the Town Investment Plan submitted to Government in 2020 and resulted in the Council securing £2 million of Town Deal funding.

Since 2020, there has been some initial progress. This has included works to ascertain the condition including various surveys, scaffold design work, internal soft strip etc. However more intrusive surveys have not yet commenced on site. Running in parallel, have been discussions with MDL regarding the potential for a surrender of the Pavilion Lease. It is considered that having direct control over the asset is a preferable position for the Council.

Potential surrender premium values for the Pavilion lease, alongside some Heads of Terms, have been subject to ongoing discussions throughout 2023. Commercial advice in respect of the process and value of the premium provide assurance as that this is the most effective way forward for the site.

Summary of Alternatives or Options considered and rejected and Background Papers:

These options are set out in the February 2024 Cabinet report.

<https://www.torbay.gov.uk/DemocraticServices/documents/s145229/Developing%20a%20resilient%20future%20Pavilion%20Jan%202024.pdf>

Details of any conflict of interest and dispensation granted to the Officer taking the decision or by any Member of the Council in delegating responsibility for any specific express delegation:

None.

Implementation:

This decision will be implemented immediately.

A copy of this decision and any supporting documentation considered by the Officer taking this decision may also be available for inspection by the public at the Council's officers or posted upon payment of any copying and postage charges. Any member of the public wishing to take up either of these options is asked to please ring (01803) 207087 or email governance.support@torbay.gov.uk

Signed: _____ Date: _____
(Director of Pride in Place)