

Record of Decisions

Leasing of Commercial Business units at Lymington Enterprise Centre, Torquay

Decision Taker

Cabinet on 20 August 2024

Decision

That authority be delegated to the Director of Pride in Place, in consultation with the Cabinet Member for Place Development and Economic Growth, to agree commercial heads of terms on the first lease granted at each unit at the Lymington Enterprise Centre, Torquay at a market rent.

Reason for the Decision

The benefits of fully utilising the opportunity of leasing the five light industrial units to businesses that were in need of business premises were:

- Increasing employment in the local area.
- Increasing investment in this district of Torbay.
- Managing these units on a commercial basis, minimising void periods and encouraging occupancy of businesses would meet the funding criteria.
- The rental income from these units would service the loan for the Council's financial contribution into the project to redevelop the whole coach station site.

Implementation

This decision will come into force and may be implemented on 3 September 2024 unless the call-in procedure is triggered (as set out in the Standing Orders in relation to Overview and Scrutiny).

Information

The Council had recently completed the development of five brand new industrial units at Lymington Road, Torquay. The units were now ready for occupation and whilst void would incur holding costs such as utilities, business rates, maintenance and void property inspections. The units were currently being marketed. Heads of terms for the first unit, Unit 5 had now been agreed, subject to final approval from the Council as landlord. Given the proposed level of rent, Cabinet approval was sought to delegate to the Director of Pride in Place agreement of the terms of occupation on a commercial basis at a market rent, for Unit 5 and for the remaining four units as and when potential tenants were found.

At the meeting Councillor Chris Lewis proposed and Councillor Jackie Thomas seconded a motion that was agreed unanimously by the Cabinet, as set out above.

Alternative Options considered and rejected at the time of the decision

The alternative options were:

Freehold disposal; the units have been designed to meet the demand for business use for light manufacturing, storage and office use and were to be commercially leased. The Council would

also achieve its employment aims, by retaining control of the units and selecting which businesses can use them. Therefore, the option of a freehold disposal was discounted.

A further option was not to let out these properties on a commercial basis. This would increase the Council's void costs and extend the period before the Council could gain any rental income. This would be a significant disadvantage to the Council in terms of lost revenue and void costs and had therefore, been discounted.

Is this a Key Decision?

No

Does the call-in procedure apply?

Yes

Declarations of interest (including details of any relevant dispensations issued by the Standards Committee)

None

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23 August 2024

Signed: _____
Deputy Leader of Torbay Council on behalf of the Cabinet

Date: 23 August 2024