TORBAY COUNCIL

Strand

Full Business Case (FBC) – Draft



Version Control and Approvals:

Version 0.0	Name	Date
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Reviewed by:	Operational Review Board:	
	Finance sign-off:	
	Procurement sign-off:	
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1 Introduction

1.1 Purpose of this report

This reports outlines the Full Business Case for the Strand and seeks the following approvals:

- Approval of for the spend of [£62m] to enter a contract with Willmott Dixon Construction to facilitate delivery of the Strand scheme. This contract will be pursuant to an overarching Development Agreement with Willmott Dixon Developments.
- Seek approval for [£80.6m] to facilitate delivery of the scheme to completion.

1.2 Changes since OBC

There have been no substantial changes since OBC

1.3 Project Summary

Executive Summary				
Project Name	The Strand			
Torbay Council Directorate	Pride in place			
Torbay Council Service	Regeneration			
Project Manager	David Carter (Project Executive)			
Location of project	Torquay Harbour			
Delivery timeframe	Start Date:	Q4 2027	End Date:	Q2 2030
Summary of the need for the project				
The Council acquired the Debenhams buildings in May 2020 and the buildings have been unoccupied since May 2021. Currently the wider site is semi-derelict and in a very poor visual state and detracts from the harbour area of Torquay.				
Detail of project scope				
Construction of a full-service 5 star hotel with 133 keys, Spa, Restaurant and Roof top bar and construction of up to 3 new cafe/restaurants. Refer to Appendix D for the latest design drawings and images.				

Project objectives
Reduction to the oversupply of poor-quality retail space in Torquay. Improved hospitality offers to the harbour area of Torquay.

Financial summary			
Current Approved budget:	£11.81m	Next Phase Budget requested (for delivery)	£68.79m
Spend to Date:	£6.076m (inc land assembly)	Full project anticipated budget	£80.6m (to PC+2Yrs)

Key risks to delivery

Risk description	Initial risk score	Mitigation	Residual risk score
Construction Inflation	16	A robust Risk Contingency for inflation based on industry projections has been included in the development budget	12
Hotel Agreement: Achieving Acceptable Terms and Conditions.	12	Following a comprehensive operator selection process there is ongoing dialogue and negotiation with a preferred Operator.	8
Regeneration Lease: Achieving acceptable Terms and Conditions.	12	Engagement and dialogue is ongoing with a several Institutional Investors with a view to achieving best market terms.	8

Table 1 – Project Summary

2 Strategic Case

2.1 The case for change

2.1.1 Strategic need

Torquay has more than 70,000 sqm of town centre retail floorspace. This is greater than any coastal town in the region, and between 2013 and 2019 the town had an average retail vacancy rate of 18%. There is an oversupply of retail space in the town and there is a need to bring other forms of development into the town centre.

The Torquay economy relies heavily on the tourism industry, with the harbourside being one of the key attractions in the town centre. It is important that this area is seen as an attractive location and the presence of a large vacant retail space with significant road frontage is detrimental.

In response to these factors, this project will deliver the redevelopment of the currently vacant former Debenhams store and other adjacent properties on the Strand, with the provision of a full-service 5 Star Hotel & Spa offer with supplementary ground floor F&B units.

This will help to improve the quality of the environment, complementing the investment in the Harbour Public Realm and leading to greater vitality and footfall in the harbour area.

2.1.2 Corporate and Community Plan alignment

Outcomes (corporate spending objectives)	How the project supports the outcome
Community and People	
▪ People feel they belong to their local area	▪ Provision of an enhanced built environment will add to civic pride and feelings of attachment to Torquay
Pride in Place	
▪ Enhanced high streets that attract long-term tenants and an increased number of visitors ▪ Increased customer satisfaction with our parks, green spaces and streets ▪ Younger, skilled people are attracted and retained to live and/or work in Torbay	▪ A much improved built environment in the harbour area and a the provision a 5 star hotel (visitors) and up to 3 new restaurants (tenants). ▪ Provision of high quality public realm and a new pedestrian link between Strand and The Terrace. ▪ The Hotel and Restaurants will provide a broad range of employment opportunities for younger skilled people.

Economic Growth	
▪ Established pathways for young people, including those with special educational needs and/or disabilities (SEND), and unemployed to employment opportunities with skills levels moving toward national averages ▪ The number of businesses and jobs in Torbay increases.	▪ The Hotel will potentially provide employment opportunities for young people with special educational needs and/or disabilities (SEND). ▪ The number of businesses and jobs in Torbay will increase due to the new Hotel and Restaurants.

Table 2 – Corporate & Community Plan Alignment

2.1.3 Other relevant strategies

The project compliments the Torquay Town Centre Masterplan (June 2015) by seeking to provide additional employment, boosting tourism and leisure through the reduction of redundant retail space.

A particular focus is placed upon improving the leisure experience in the harbour area.

2.1.4 Existing arrangements

The majority of the proposed site is derelict and unoccupied apart from 1 unit which currently trades as Taco Bell.

Land Assembly Status is as follows:

- Former Debenhams Store– Purchased
- Former Janes Store – Purchased
- 55-59 The Terrace – Purchased
- 7/7a The Strand – Purchased
- 8 The Strand – Not Purchased (likely to require CPO)
- 9 The Strand – Not Purchased (likely to require CPO)

2.1.5 Current and future business needs

The project will deliver the redevelopment of the currently vacant former Debenhams store and other adjacent properties on the Strand, with the provision of a full-service 5 Star Hotel & Spa offer with supplementary ground floor F&B units.

Following an extensive market engagement process a preferred Hotel Operator/Partner has been identified and negotiations are ongoing on commercial terms and conditions.

This will help to improve the quality of the environment, complementing the planned investment in the Harbour Public Realm and leading to greater vitality and footfall in the harbour area.

2.2 Theory of change

2.2.1 Deliverables

- 133 key full-service 5 Star hotel with restaurant, spa and roof-top bar.
- Up to 3 restaurant/cafe units at ground level.
- Enhanced public realm to the harbourside area
- Provision of a new high quality pedestrian link from The Strand to The Terrace

Refer to Appendix D for current design drawings and images

2.2.2 Project objectives

- Condense the retail offer in Torquay and diversify the and use on the site.
- Improve the hospitality and leisure offer in the harbourside area of Torquay.
- Regenerate and improve a key area in Torquay as a catalyst for wider investment.

2.2.3 Logic map

Context (business needs as per 2.1.5)	Deliverables (As per 2.2.1)	Project Objectives (As per2.2.2)	Strategic Outcomes (As per 2.1.2)
Improve the quality of the environment, complementing the planned investment in the Harbour Public Realm and leading to greater vitality and footfall in the harbour area.	133 key full-service 5 Star hotel with restaurant, spa and roof-top bar. Up to 3 restaurant/cafe units at ground level.	Condense the retail offer in Torquay and diversify the and use on the site. Improve the hospitality and leisure offer in the harbourside area of Torquay.	▪ People feel they belong to their local area ▪ Enhanced high streets that attract long-term tenants and an increased number of visitors ▪ Younger, skilled people are attracted and retained to live and/or work in Torbay ▪ Increased customer satisfaction with our parks, green spaces and streets ▪ Established pathways for young people, including those with special educational needs and/or disabilities (SEND), and unemployed to employment opportunities with skills levels moving toward national averages ▪ The number of businesses and jobs in Torbay increases

Table 3 – Logic Map

2.3 Benefits

Benefit theme	Benefit	Measure
Economic	▪ Increased footfall ▪ Increased dwell time ▪ Increased visitor numbers ▪ Increased GVA	▪ Carry out marketing survey to assess footfall, dwell time and visitor numbers
Environmental	▪ Improved quality of environment in the harbour area	▪ User feedback surveys within the town centre
Social	▪ improved sense of place and quality of environment	▪ User feedback surveys within the town centre

Table 4 – Benefits

2.4 Constraints and dependencies

2.4.1 Constraints and considerations

Flood risk: The site is a flood risk area and requires flood mitigation features in the design

Topography: The site has very large level changes (circa 20m) between the Strand and The Terrace

Listed Buildings: No 8 The Strand is a Listed Building and must be substantially retained and integrated into the design of the scheme.

2.4.2 Legal considerations

Land Assembly:

Nos 8 & 9 The Strand are within the development site but are not owned by the Council. These properties are to be acquired by CPO (the preparation of the CPO is currently underway).

Acquisition of other property rights (Rights to Light and Oversailing) may also be required to be acquired via CPO

2.4.3 Dependencies

Final Land Assembly of the development site (via CPO)

Agreement with a Hotel Partner/Operator to run the Hotel

Agreement with an Institutional Funder to enter into a Regeneration Lease

3 Economic Case

3.1 Development of preferred option

Following a major significant market engagement exercise with Hotel Operator and Brands the scheme is to be developed as a higher-end hotel offer (133 key, 5 star with Spa facilities). This will require additional capital cost but will produce a higher level of revenue. The planning consent has been obtained for a 144 Key (without Spa) configuration, and the intention is to apply for an amendment to the consent to reflect the evolving proposals.

3.1.1 Scope of preferred option

133 key full-service 5 Star hotel with restaurant, spa and roof-top bar and up to 3 restaurant/cafe units at ground level and a new public pedestrian link between The Strand and The Terrace.

Refer to Appendix D for current design drawings and images

3.2 Cost Benefit Analysis

3.2.1 Overview of cost benefit analysis

An initial Economic Impact Assessment was carried out on the scheme at SOC stage by Hardisty Jones. This has been updated and a summary of the results is set out below:

1 Summary Results

Impact	£, present values[1] and market prices over appraisal period	
Benefits		
Construction wages	£24,794,243	
Café and restaurant wages	£7,962,359	
Hotel wages	£62,774,068	
Wage impacts of visitor spend	£8,604,657	
Private sector costs	£50,639,356	
Private sector revenues	£-	
Present Value of Benefits (PVB)	£53,495,972	
Costs		
Grant funding	£11,168,000	
Present Value of Costs (PVC)	£11,168,000	
Net Present Value (PVB – PVC)	£42,327,972	
Benefit Cost Ratio (PVB/PVC)	4.79	

The proposed development is also anticipated to generated other non-quantified benefits in Torbay and Torquay, including:

- Supporting the strategic objectives of promoting vitality and diversity in Torquay town centre.
- Repositioning and improving Torquay's image, attracting further visitors, and stimulating further investment in regeneration projects. This may generate further land value uplift in the wider area.
- Further opportunities for skills and training, particularly in the construction workforce.

[1] This table sets out the present value of net additional impacts.

The land value uplift has not been calculated as part of this assessment. If calculated, this could lead to a higher value-for-money estimate.

Distributional impacts

This assessment has not quantified the distributional impacts of the proposed development. However, it is anticipated that a proportion of the jobs supported will be entry-level roles accessible to individuals with lower or no formal qualifications. There may also be apprenticeship opportunities for young people, and likely to be training and career development opportunities in both the construction and operation of the hotel and café/restaurant. As a result, the proposed development may provide employment opportunities for those with less qualifications and/or experience, including young people and those from lower socio-economic groups.

Value for Money

The present value of costs is £11.2 million and the present value of benefits is estimated at £53.5 million, resulting in a benefit to cost ratio of 4.79 and a net present value of £42.3 million

The benefit to cost ratio considered alongside the distributional impacts and non-quantified benefits indicates that the Strand project is likely to deliver very high value for money.

3.3 Climate Impact Assessment

Overview:

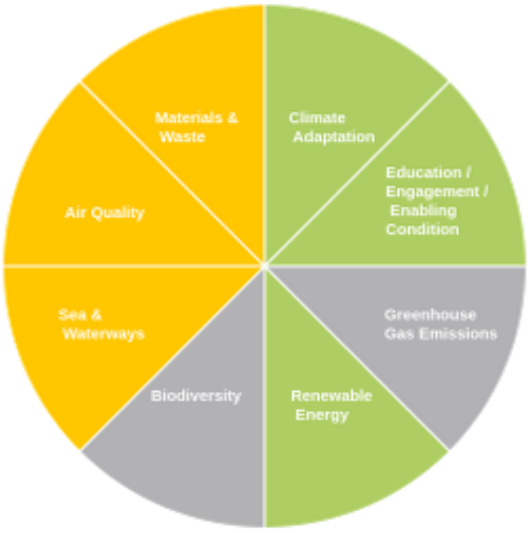
Generally, the scheme presents a minor short term negative impact during construction however this is being managed as effectively as possible. Long term, the scheme will be replacing several old commercial units which operate fossil fuel based heating systems. The new scheme will use 100% renewable sources of energy including air source heat pumps and green energy generation through solar PV. The main opportunity for improvement will come through negotiation around green initiatives with the contractor and delivery of social value KPISs tailored to such.

Overall Mitigation Budget (£):

The following infographics provide an overview of the climate impact areas assessed for the Strand - OBC, covering Greenhouse Gas Emissions, Climate Adaptation, Education/Engagement/Enabling Conditions, Materials & Waste, Air Quality, Sea & Waterways, Biodiversity and Renewable Energy.

Together, they illustrate the full range of environmental considerations integrated into the project's assessment. This visual summary supports clear comparison across impact themes and informs strategic decision-making throughout the project's development.:





4 Financial Case

4.1 Introduction

Total Development Cost (TDC) for the scheme is projected at:

- £74.675m (excluding interest/finance costs)
- £80.577m (including interest/finance costs to PC+2 years)

The TDC is proposed to be financed by a combination of funding streams and financial instruments:

- Capital Grant Funding
- Equity Contribution from the Hotel Brand/Operator
- Regeneration Lease Premium from an Institutional Investor (50 year lease)
- Council PWLB borrowing (50 year loan)

The net revenue generated from the completed asset will be used by the Council to service the:

- Regeneration Lease
- PWLB Borrowing

The Hotel Brand will become a shareholder in the operational SPV for the scheme (with the corresponding share of net revenue) in return for its equity contribution.

The Legal/Funding/Operational Structure is shown diagrammatically in Appendix F

4.2 Spend to date

The Total cost to-date for the project is: £6.076m (Oct 26)

This has delivered the following:

- Assembly of the site (apart from No 8 and 9 The Strand)
- Planning Consent for a 144 Key (without Spa) scheme.
- Marketing and selection of the proposed hotel brand/operator
- Substantial engagement with institutional funders

4.3 Capital costs

4.3.1 Approach to cost estimate

Future development costs have been calculated on the following basis:

Acquisition: based on Property Cost Estimate (PCE) from the CPO specialist (Avison Young)
Planning Cost: based on advice from the Planning Consultant (Turleys)
Construction Cost: based on cost plan from Cost Consultant (Coreus)
Fee Cost: estimates based on fee quotations or industry fee benchmarking

4.3.2 Cost estimate

Table 5 shows an estimate of the total capital cost to deliver the scheme.

- Unshaded items are unspent
- Lighter shaded items are partially expended
- Darked shaded items are fully expended

Cost description	% of main contract	Value (£)	Comments
Acquisition	N/A	£6,516,979	Land Assembly & CPO
Concept design	0.05%	£27,850	RIBA Stage 2 (Concept)
Detailed design	0.65%	£351,235	RIBA Stage 2/3 Including Planning
Planning	1.6%	£905,397	Planning Consent (inc costs from previous TDA scheme)
Technical design	2.3%	£1,250,000	Procurement RIBA Stage 3/4/5 (Technical Design) / FBC
DM & PM	4.6%	£2,488,209	
Professional Fees	1.2%	£678,000	Cost Consultant, Contract Administrator, other misc. consultants
Main Contract		£54,247,072	Main Building Contract including inflation.
Other Construction	0.8%	£430,000	Site Investigation, Surveys etc.

Design Development Risk	12.3%	£2,981,402	Risk allowance calculated from the Risk Register
Construction Risk		£3,726,752	Allowance to cover the remaining 15% uplift for uncertainty
Marketing & Letting	N/A	£292,493	Marketing and PR Fees and materials. Leasing and Leasing legal fees
Disposal/Funding	N/A	£496,211	Agency and legal fees
Capital Incentives	N/A	£285,033	Tenants incentives
Finance Costs	N/A	£5,901,094	PWLB Interest and Regen Lease Rental (to PC+2Yrs)
Total		**£80,577,727**	

Table 5 – Capital Costs

4.3.3 Spend profile

Table 6 shows the anticipated spend profile for the capital costs (excluding interest)

£	Spend to date	2026/27	2027/28	2028/29	2029/30	2030/31	Total
Costs	£6.076m	£1.772m	£16.045m	£24.440m	£24.646	£1,696	£74.675m

Table 6 – Spend Profile

4.3.4 Funding

Table 11 shows the funding sources that are anticipated to be used to deliver the project.

Funding stream	Amount	Budget holder	Spent/committed	Remaining
LRF	£11,186,000	DC	£6,076,000	£5,110,000
Hotel Equity	£4,000,000	N/A	£0	£4,000,000
Regen Lease Premium	£45,242,255	N/A	£0	£45,242,255

Interim Income (to PC+2Yrs)	£5,172,137	N/A	£0	£5,172,137
PWLB (@PC+2Yr)	£14,977,335	N/A	£0	£16,005,595
Total	**£80,577,727**		**£6,076,000**	**£74,501,727**

Table 7 – Funding Sources

Refer to Appendix F for Funding Structure explanation

4.4 Ongoing costs

The operational costs, revenue generation and debt service are embedded in the overall financial model for the scheme.

Refer to Appendix F: Legal/Operational/Funding Structure
Refer to Appendix G: Development Appraisal

4.5 Tax considerations

No tax considerations known

4.6 Affordability Risks

Key Affordability Risks:

Acquisition Cost: The outturn acquisition cost will likely be subject to a CPO process (unless private treaties can be negotiated before the CPO enquiry). A specialist CPO team (surveyors and lawyers) has been engaged to manage the process.

Construction Cost: The design of the scheme is currently at RIBA 2 (Planning) stage and will require significant further development (via a PCSA process to crystallise a firm construction cost). Robust risk allowances have been included in the current cost plan and appraisal to manage this risk.

Regeneration Lease Yields: These will be subject to Gilt rates at the time of the placing of the regen lease and therefore are subject to geopolitical influences. Engagement with multiple Financial Institutions is ongoing to best manage and understand the impact of market volatility.

Hotel Operator Equity Quantum: This will be subject to agreement with the potential Hotel Operator. Engagement with the preferred operator is ongoing.

PWLB Interest Rates: These rates are set by the DMO and are largely subject to the current Gilt rates.

4.7 Financial Summary

	Spend to date	Forecast to complete	Risk Budget	Contingency	Total Budget
Total Scheme	£6.076m	£67.793m	£2.981m	£76.850m	£3.727m

Table 8 – Financial Summary

5 Commercial Case

5.1 Introduction

The procurement officer for this project is Chanelle Busby.

All activity on the scheme to date has been procured from Willmott Dixon Construction (WDC) via the Pagabo Developer-Led Framework under a Pre-Development Agreement (PDA). The Framework (Oct 23) allows all project to progress to completion for the 10 year duration of the Agreement.

5.2 Output based specification

The PDA and the DA (see above) will cover the entire scope of the project.

5.3 Delivery approach

The PDA will continue to be used to as the procurement mechanism for on-going pre-construction activity in the short term.

The PDA will be novated from WDC to Willmott Dixon Developments (WDD) and then the PDA will be replaced by a conditional Development Agreement (DA) pursuant to the Pagabo Developer-Led Framework which will facilitate the completion of the pre-construction activity and the construction delivery of the scheme.

All suppliers (including building contractors) will be appointed directly by WDC (WDD post novation of the PDA) pursuant to the PDA or DA.

WDD will appoint WDC under a PCSA (Pre-Construction Services Agreement) to carry out pre-construction activity.

Subject to discharge of cost and viability conditions within the DA, WDD will appoint WDC as the main contractor for the construction of the scheme.

5.4 Contractual arrangements

All development activity will be contracted via the existing Pre Development Agreement and subsequently the conditional Development Agreement both of which are based on pro-forma Pagabo Framework documents [pro-forma documents can be provided if required]

The form of building contract will be an NEC form and will include appropriate Collateral Warranty protection to the Council.

Monthly payments of development costs (as they are expended) plus agreed DM/PM fees are due from the Council under these contracts.

5.5 Contract management

All development activity will be managed (both DM & PM) by WDC in conjunction with Milligan (WDM) pursuant to the management services and protocols included in the PDA and DA.

Torbay Council will maintain an oversight role (see Management Case)

5.6 Social value

On the formation of the Regeneration Partnership a Legacy Board was formed to create a structure of how social value and legacy would be shaped and delivered. The group separated these elements into three distinct areas to allow control of the outputs.

- Placemaking – Shaping places and ensuring the built form we bring forward is suitable for current and future generations.
- Social Value – Ensuring our works and actions maximise the positive impact to our communities.
- Legacy – Ensuring all decisions are made with shaping the future prosperity of the Bay.

Below is a summary of the KPIs that have been put in place with WDM and Lucy Lewis of TC.

TC SV Theme	Sub-theme	Outcome	Output / Metrics
Community & People	*Community Cohesion & Safety*	*Community Safety & Crime Prevention*	*Raising awareness of domestic abuse and crime prevention*
			Community safety awareness sessions
		Inclusive Engagement	*Co-designed local projects or events*
		Community Initiative support	*Donations/support for community initiatives*
			Volunteering hours supporting community projects
	Employment, Inclusion & Skills	*Access to employment opportunities*	*Job starts for priority groups*
			Local residents hired
		Skills, Training & Qualifications	*Apprenticeship and T Level placement weeks*
			Training leading to recognised qualifications

			Digital inclusion and essential skills training
		Careers Education, Information, Advice & Guidance (CEIAG)	*Careers IAG hours in schools and colleges* *Careers talks, curriculum support and school outreach* *Mock interviews, CV support and mentoring*
		Inclusion for Under-represented and Priority Groups	*Employment and training for under-represented groups*
		In-Work Support, Retention & Progression	*Coaching support through the first weeks of work* *In work coaching for new starters* *In work progression support*
	Health & Wellbeing	*Health & Wellbeing*	*Health and wellbeing interventions* *Wellbeing support for employees*
	Inclusion, Equalities & Vulnerable Groups	*Improved Equality, Diversity & Inclusion Awareness*	*Equality, Diversity and Inclusion (EDI) training hours*
		Fair & Inclusive Recruitment Practices	*Inclusive recruitment practices* *Recruitment into fair working conditions*
		Increased Access & Inclusion for Vulnerable and Under-represented Groups	*Programmes improving digital skills access* *Removing workplace barriers for under-represented groups*
Pride in Place	*Heritage & Culture*	*Heritage & Culture*	*Volunteer hours at heritage sites*
Economic Development	*Inclusive Growth & Tackling Inequality*	*Improved Representation of Priority Groups*	*Actions to improve representation of priority groups*
		Increased Workplace Flexibility & Accessibility	*Flexible working availability*
		Transparent and Fair Pay	*Pay gap reporting*
	Responsible Procurement & Local Business Growth	*Supporting Local Business Capacity & Growth*	*Business mentoring hours for SMEs* *Spend with SMEs and local suppliers* *Spend with VCSEs*
		Supply Chain Opportunities	*Open advertising of subcontract packages* *Supply chain development actions*

	Skills Pipeline & Future Workforce	*Access to Skills and Learning*	*Digital inclusion hubs in libraries/community centres* *ESOL, numeracy and digital capability training* *Residents gaining accredited qualifications*
		Pathways to employment and careers	*Industry placements building future workforce* *Training hours in high-growth sectors*
		Priority group participation	*Outreach to under-represented groups*
Environment and Climate Change	*Active & Sustainable Travel*	*Active & Sustainable Travel*	*Car miles saved* *Low/no-emission miles driven*
	Biodiversity & Natural Environment	*Biodiversity & Natural Environment*	*Conservation volunteering hours* *Habitat creation and biodiversity improvements*
	Environmental Protection & Climate Action	*Improved natural environment*	*Biodiversity improvements and habitat creation*
		Reduced carbon emissions and Net Zero	*CO_2e savings from decarbonisation* *Commitment to Net Zero* *Green transport miles (miles/low-emission miles)* *Low carbon training hours*
		Reduced Waste & Increased Recycling	*Hard-to-recycle waste diverted* *Plastic recycling / single-use plastics eliminated* *Waste diverted from landfill*
		Reduced resource use	*Reducing water consumption*
	Public Realm & Built Environment	*Public Realm & Built Environment*	*Environmental volunteering (litter picks, conservation)*
	Innovation & Future Economy	*Innovation & Future Economy*	*Innovation pilots (low-carbon construction, circular economy)* *Smart building site pilots (sensors, monitoring)*
	Housing Quality, Sustainability & Prevention	*Housing Quality, Sustainability & Prevention*	*Pilot retrofit apprenticeships*

6 Management Case

6.1 Governance arrangements

6.1.1 Governance structure

The governance structure for the project follows the standard Capital Programme approach. This is set out in Figure 1.

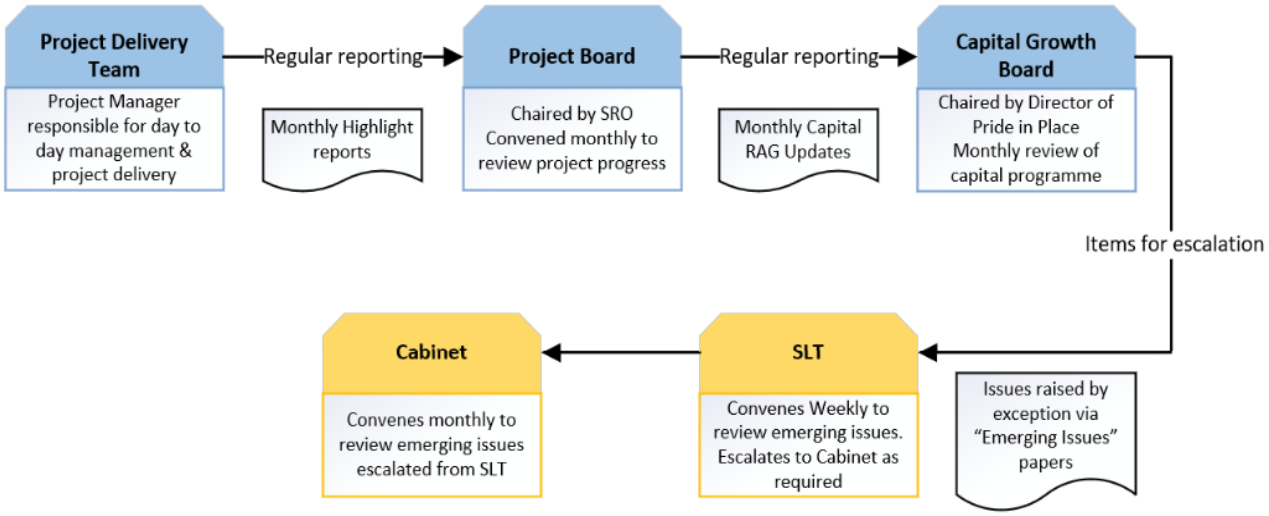


Figure 1 – Capital Programme Governance

6.1.2 Project Board

The Project Board are responsible for ensuring the delivery of the project and managing or escalating any risks or issues to this delivery. The Project Board meet monthly and review the Monthly Highlight Report provided by the Project lead.

Name	Title	Project role
David Carter	Director of Regeneration	Project Executive
Chris Bartlett	Head of Project & Development Management	Senior Supplier
Martin Tresidder	Development Director (Milligan)	Development Manager & Project Lead
Jon Munce	Head of Development (Milligan)	Development Manager

Name	Title	Project role
Mike Anderson	Chief Investment Officer (Milligan)	Funding Lead
Sophie Young	Project Manager (Milligan)	Project Manager
Jim Blackwell	Service Manager, Development Management	Planning Officer (as required)
Emma Falconer	Comms & Engagement Officer	Communications

Table 9 – Project Board

6.1.3 Project monitoring and reporting

Project monitoring and reporting is facilitated by the generation of monthly Highlight Reports. These are produced by the Project lead with the support of other key stakeholders and are shared with the Project Board for review in advance of the monthly meeting.

A monthly Regeneration Operation Board will sit above the Project Board.

Quarterly Regeneration Partnership Boards will sit above the Operations Board.

The Capital Growth Board (CGB) receive monthly RAG updates to feed into CGB meetings as a way of escalating any issues or concerns.

6.1.4 Approvals and exception reporting

In phase approvals, including the use of contingency, will be sought from the Project Board as part of the monthly review cycle.

Where there is a requirement for additional funding identified, this will be brought to the attention of the Chief Financial Officer and CGB in the first instance. It may then be decided to escalate further to the Senior Leadership Team (SLT) or Cabinet for a potential budget revision.

6.2 Key milestones

Table 16 shows the key milestones for the delivery of the project, with a more detailed project plan/schedule included in **Appendix A. Project Schedule.**

Key activity	Start date	End date	Comments
Outline Business Case approved	Oct 2026	Nov 2026	
Formal procurement commences			Complete (Pagabo)

Preferred supplier / contractor identified (Procurement concluded)			Complete (Pagabo)
Full Business Case approved	Aug 2027	Sept 2027	
Project Start on Site (Date)	Oct 2027		
Construction Period (wks)	130		
Project Finish on Site (Date)		April 2030	

Table 10 – Key Milestones

6.3 Resource requirements

Table 17 sets out the Torbay Council resource requirements to delivery of the project (this is specific resource requirements above general oversight).

Name	Title	Project role and responsibilities	Time requirement
Ed Brown	Project Manager	Land Assembly and CPO activity	Circa 1 day week until end 2027

Table 11 – Resource requirements

6.4 Benefits delivery

Table 18 details the key benefits the project will deliver, as well as how these will be measured.

	Condense Retail offer and improve footfall in key areas	Improve hospitality and retail offer
Benefit	Businesses flourish and the local economy is improved	People are attracted to the area and have a greater sense of pride
Measurement indicator	Footfall & Spend profiling	Customer satisfaction
Data source to be used	Huq footfall system	Customer satisfaction surveys
Frequency of data collection	Annual	Annual
Owner	TC Ec dev team	TC Comms & Engagement team
Comment		

Table 12 – Benefits Delivery

6.5 Risk management

6.6 Risk management

6.6.1 Risk management process

Risks are logged, reviewed and managed using the project Risk Register. The Project lead is the owner of the Risk Register and reviews this on a monthly basis in line with routine monitoring. The key risks are reported to the Project Board who may escalate any ‘major’ or ‘critical’ risks to SLT or Cabinet. A full list of the project risks, and their owners and mitigations, are included in **Appendix B. Risk Register**.

6.6.2 Risk cost

As part of routine risk management, the cost for mitigation actions or the costs of potential impacts are estimated and form a risk budget.

The current risk budgets estimated for the project are as follows:

- The budget for any risks which may materialise within the next phase of design is included within the phase budget.
- The full project risk budget (inclusive of the above in phase risk allowance) is: £ 6.708m

Where risks develop into issues, this will be communicated at project board level and upon approval of the board, the relevant risk budget will be released to deliver the mitigations or manage the impacts.

6.7 Communications and stakeholder engagement

6.7.1 Consultation/engagement to date

Extensive consultation and engagement has been undertaken to inform the redevelopment proposals for The Strand, Torquay. A formal public consultation was held between **4 July and 25 July 2025,** providing opportunities for residents, businesses, stakeholders and visitors to review the proposals and provide feedback.

Stakeholder Engagement Activities Undertaken

Public consultation

- Consultation portal hosted on Torbay Council's website engagement platform.
- Two public drop-in events held at Fleet Walk Shopping Centre on 15 and 22 July 2025.
- Paper and online questionnaires made available.

Business and community engagement

- Informal pre-consultation session held with local residents and businesses.
- Engagement at the Torbay Business Forum breakfast event, attended by over 120 local business representatives.
- Presentation and discussion at a Torbay Champions networking event attended by approximately 40 stakeholders.

Young people and education engagement

- Sessions with SEND learners at South Devon College.
- Engagement with Year 10 students from Churston Grammar School.
- Discussions with Year 5 pupils from Ellacombe C of E Primary School during a council-organised visit to the harbourside.

Communications and awareness raising

- Dedicated consultation webpage.
- Press release and extensive media coverage across local and regional media.

- Promotion through council newsletters and internal communication channels.
- Social media campaign across Facebook, LinkedIn and Nextdoor.
- CGI flythrough video published online and promoted through social channels.

Outcomes and Impact

The consultation generated a strong level of participation, receiving:

- **594** consultation responses in total.
- **464** online responses.
- **130** paper responses completed at the public events.

Overall feedback demonstrated broad support for the proposals, with respondents highlighting:

- Regeneration of the harbourside and wider town centre.
- Positive economic impacts and employment opportunities.
- The rooftop terrace and food and beverage offering.
- Improved connectivity through the proposed sweeping staircase.
- Support for showcasing local Devon businesses and products.

Key issues identified through consultation included:

- Requirement for heritage-sensitive design.
- Accessibility improvements, including lifts and step-free access.
- Parking provision and traffic impacts.
- Hotel viability and impact on existing businesses.
- Desire for local businesses, cultural uses and community facilities to be incorporated.

Feedback received through the consultation will continue to inform the development and refinement of the project proposals.

6.7.2 Communications plan

The project will adopt a proactive and transparent communications strategy throughout the development process, ensuring stakeholders remain informed and have opportunities to provide feedback at key milestones. In April 2026, an economic impact assessment was completed for The Strand and the outputs i.e. jobs and GVA created will be an important part of the messaging as we go forwards.

Scheme Development Phase

Objectives:

- Communicate project progress and key milestones i.e. hotel operator and commercial tenants.
- Share how consultation feedback has influenced the evolving proposals.

- Maintain stakeholder confidence and support.

Methods:

- Project webpages and online updates.
- Stakeholder newsletters.
- Social media communications.
- Briefings for councillors, local businesses and stakeholder groups.
- Public consultation events and exhibitions, where required.
- Press releases and media engagement.
- Presentations to key business and community forums.

Planning and Approvals Phase

Objectives:

- Clearly communicate planning proposals and decision-making processes.
- Address emerging questions and concerns.

Methods:

- Public exhibitions and engagement events.
- Planning consultation materials.
- Frequently Asked Questions (FAQ) updates.
- Targeted stakeholder briefings and events.
- Social media and website updates.

Construction Phase

Objectives:

- Minimise disruption and maintain positive stakeholder relationships.
- Keep residents, businesses and visitors informed about works.
- Support of the occupier engagement strategy.

Methods:

- Construction newsletters and updates.
- Dedicated project webpage.
- Social media updates.
- Regular business liaison meetings.
- Advance notification of road closures, access changes and key construction activities.
- Media briefings and milestone announcements.
- Community drop-in sessions where appropriate.

Completion and Opening Phase

Objectives:

- Promote economic, tourism and placemaking benefits.
- Celebrate project delivery and encourage public participation.

Methods:

- Launch events and media activity.
- Stakeholder and community events.
- Social media campaigns.
- Website content and case studies.
- Ongoing engagement with businesses and tourism organisations.

Torbay Council's Communications Team will work alongside the partnership comms team as one team, throughout significant public-facing activity to ensure consistent messaging, stakeholder management and media coordination. Appropriate communications and engagement budgets will be incorporated within overall project costs.

6.7.3 Stakeholder engagement

Table 19 shows the key stakeholders for the project, their areas of interest and proposed engagement methods.

Organisation/individual	Area of interest	Method of engagement
Local Residents	Design quality, heritage, accessibility, parking, community benefits	Public consultations, exhibitions, newsletters, website updates, social media
Local Businesses	Footfall, economic benefits, disruption, trading opportunities	Business forums, stakeholder meetings, newsletters, one-to-one engagement
Torbay Business Forum	Economic growth, investment, visitor economy	Presentations, networking events, stakeholder briefings
Torbay Champions Network	Place promotion, regeneration benefits, investment confidence	Briefings, presentations, networking events
Visitor & Tourists	Enhanced visitor experience and facilities	Engagement with the ER BID, Public consultation, website, social media communications

Young People & Educational Establishments	Future opportunities, placemaking, accessibility	Workshops, school and college engagement sessions
South Devon College	Skills, employment opportunities and local regeneration	Direct engagement sessions and educational workshops
Accessibility Groups and Representatives	Inclusive design and accessibility	Consultation events, targeted engagement, design reviews
Local Hospitality and Tourism Businesses	Impact on visitor economy and existing businesses, opportunities within The Strand	Stakeholder meetings, business engagement events, updates
Media Organisations	Project progress and public information	Press releases, media briefings and interviews
Development and Delivery Partners and other project partners	Scheme delivery, stakeholder support and project outcomes	Project governance meetings, communications planning and stakeholder engagement activities

Table 13 – Key Stakeholders

6.8 Equalities Impact Assessment

The Council has a public sector duty under the Equality Act 2010 to have 'due regard' to advancing equality of opportunity between those persons who share a relevant protected characteristic and persons who do not share it. The Act also seeks to eliminate discrimination, harassment and victimisation. It is important that you carefully and thoroughly consider the different potential impacts that the decision being taken may have on people who share protected characteristics.

An Equality Impact Assessment (EIA) has been carried out and can be found in **Appendix C. Equality Impact Assessment.**

An inclusive and accessible environment is an environment which everyone can use, to access and benefit from the full range of opportunities available; confidently, independently, with choice and dignity, which avoids separation or segregation and is made up of places and spaces that acknowledge diversity and difference, meeting the needs of everyone in society.

Additionally, an Equality Impact Assessment was commissioned from an external consultant (Equality Impact Consulting Ltd) by the Council pursuant to the impending CPO. This report is too

large to include in this document (it can be provided separately if required) but the Overall Conclusions from the document are shown below:

Overall conclusion

8.5 Overall, the direct impacts of the Order are limited. The Council has acquired all but three plots by agreement, and the remaining third-party interests comprise one vacant listed building, an electricity substation and one occupied commercial unit (Taco Bell), whose freeholder and tenant are in active negotiation with the Council. They are being offered relocation support and compensation aligned with the Compensation Code.

8.6 No homes will be acquired through compulsory purchase powers. A minor–moderate adverse effect is identified only for the two residential occupiers who will eventually relocate, reflecting the sensitivity of those households. This is being managed through security of tenure, ongoing engagement and tailored relocation support.

8.7 Construction-phase adverse effects are expected to be short-term and minor adverse for sensitive groups, and manageable through construction management plans and the communication and accessibility measures identified in this report.

8.8 The adverse equality effects of the Order and the Scheme are likely to be minor, manageable, and proportionate if the mitigation measures identified in this EqIA are implemented.

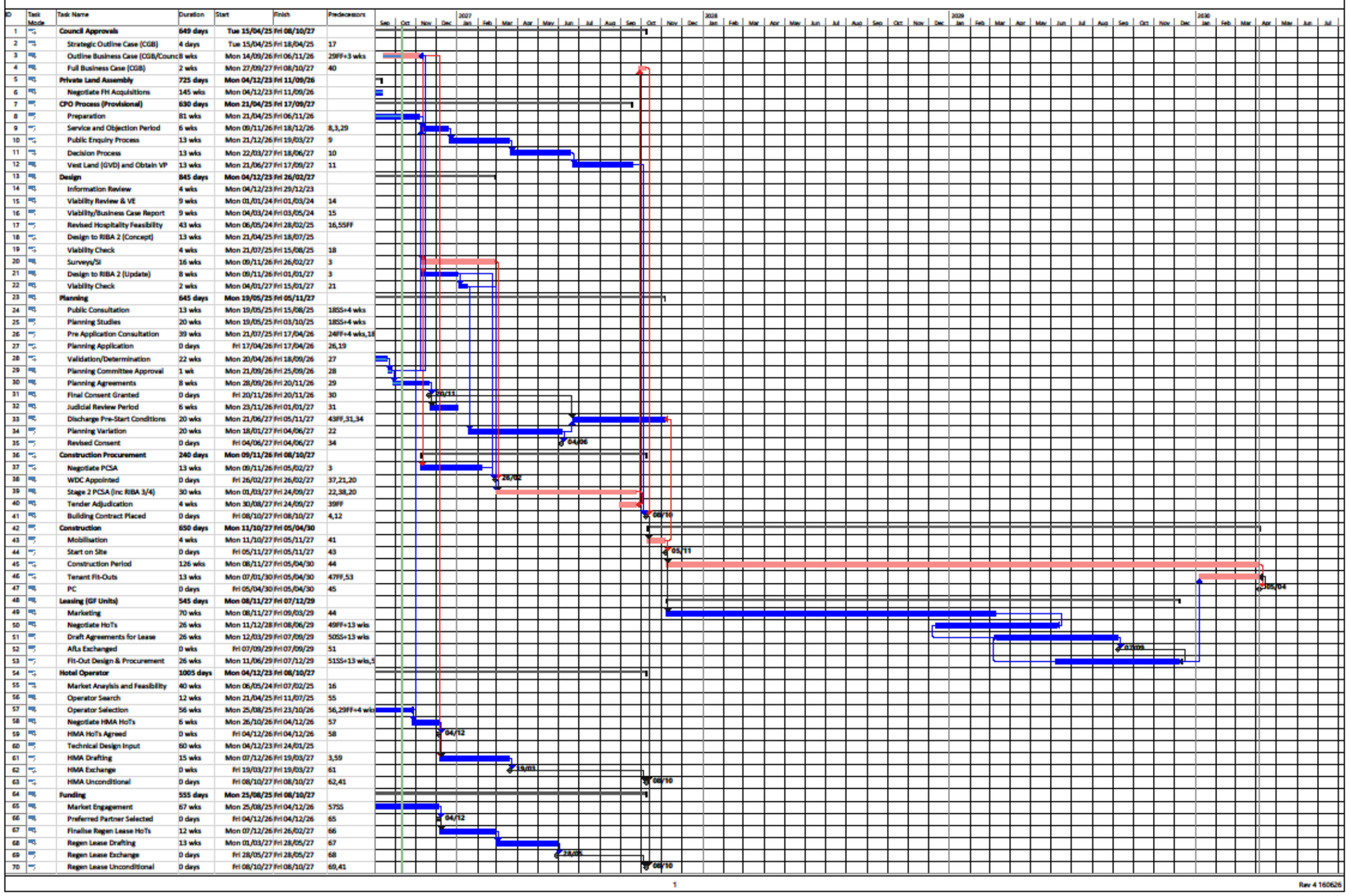
8.9 In the longer term, the Scheme has the potential to deliver significant positive outcomes for all groups, including a safer and more accessible public realm, improved connectivity, new commercial activity and removal of long-term vacancy and anti-social behaviour. These benefits should be maximised through inclusive design, ongoing engagement and delivery of social value commitments.

8.10 Continued engagement, accessible communication, inclusive design and management of construction impacts will be essential to ensuring that protected characteristic groups are not disproportionately affected and can share in the long-term benefits of the Scheme.

Appendix A. Project Schedule

The Strand, Torquay - Hotel — **OUTLINE DEVELOPMENT PROGRAMME** — **Outline Business Case (Nov 26)**

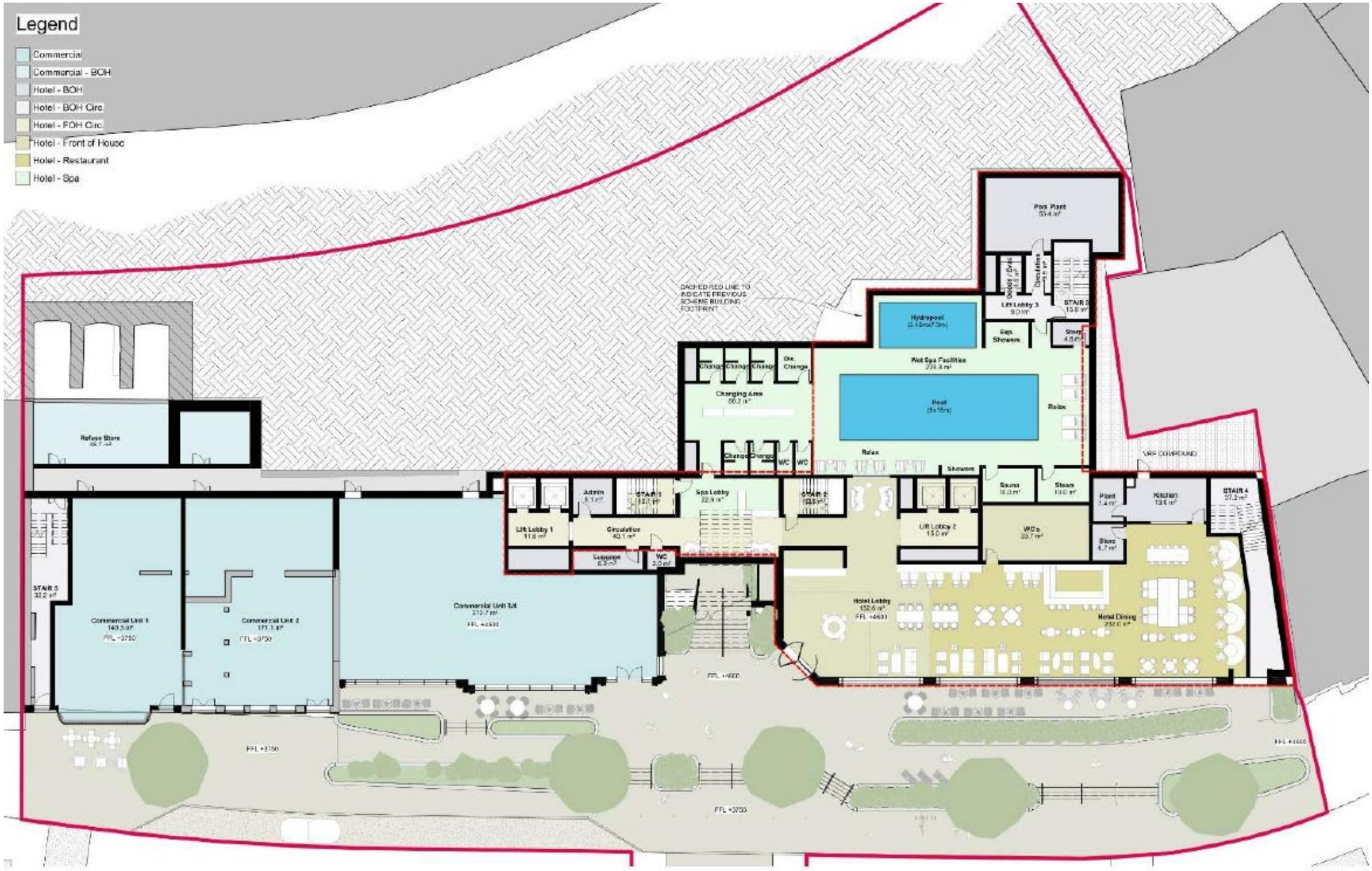
ID	Task Mode	Task Name	Duration	Start	Finish	Predecessors
1		**Council Approvals**	**649 days**	**Tue 15/04/25**	**Fri 08/10/27**	
2		Strategic Outline Case (CGB)	4 days	Tue 15/04/25	Fri 18/04/25	17
3		Outline Business Case (CGB/Counc	8 wks	Mon 14/09/26	Fri 06/11/26	29FF+3 wks
4		Full Business Case (CGB)	2 wks	Mon 27/09/27	Fri 08/10/27	40
5		**Private Land Assembly**	**725 days**	**Mon 04/12/23**	**Fri 11/09/26**	
6		Negotiate FH Acquisitions	145 wks	Mon 04/12/23	Fri 11/09/26	
7		**CPO Process (Provisional)**	**630 days**	**Mon 21/04/25**	**Fri 17/09/27**	
8		Preparation	81 wks	Mon 21/04/25	Fri 06/11/26	
9		Service and Objection Period	6 wks	Mon 09/11/26	Fri 18/12/26	8,3,29
10		Public Enquiry Process	13 wks	Mon 21/12/26	Fri 19/03/27	9
11		Decision Process	13 wks	Mon 22/03/27	Fri 18/06/27	10
12		Vest Land (GVD) and Obtain VP	13 wks	Mon 21/06/27	Fri 17/09/27	11
13		**Design**	**845 days**	**Mon 04/12/23**	**Fri 26/02/27**	
14		Information Review	4 wks	Mon 04/12/23	Fri 29/12/23	
15		Viability Review & VE	9 wks	Mon 01/01/24	Fri 01/03/24	14
16		Viability/Business Case Report	9 wks	Mon 04/03/24	Fri 03/05/24	15
17		Revised Hospitality Feasibility	43 wks	Mon 06/05/24	Fri 28/02/25	16,55FF
18		Design to RIBA 2 (Concept)	13 wks	Mon 21/04/25	Fri 18/07/25	
19		Viability Check	4 wks	Mon 21/07/25	Fri 15/08/25	18
20		Surveys/SI	16 wks	Mon 09/11/26	Fri 26/02/27	3
21		Design to RIBA 2 (Update)	8 wks	Mon 09/11/26	Fri 01/01/27	3
22		Viability Check	2 wks	Mon 04/01/27	Fri 15/01/27	21
23		**Planning**	**645 days**	**Mon 19/05/25**	**Fri 05/11/27**	
24		Public Consultation	13 wks	Mon 19/05/25	Fri 15/08/25	18SS+4 wks
25		Planning Studies	20 wks	Mon 19/05/25	Fri 03/10/25	18SS+4 wks
26		Pre Application Consultation	39 wks	Mon 21/07/25	Fri 17/04/26	24FF+4 wks,18
27		Planning Application	0 days	Fri 17/04/26	Fri 17/04/26	26,19
28		Validation/Determination	22 wks	Mon 20/04/26	Fri 18/09/26	27
29		Planning Committee Approval	1 wk	Mon 21/09/26	Fri 25/09/26	28
30		Planning Agreements	8 wks	Mon 28/09/26	Fri 20/11/26	29
31		Final Consent Granted	0 days	Fri 20/11/26	Fri 20/11/26	30
32		Judicial Review Period	6 wks	Mon 23/11/26	Fri 01/01/27	31
33		Discharge Pre-Start Conditions	20 wks	Mon 21/06/27	Fri 05/11/27	43FF,31,34
34		Planning Variation	20 wks	Mon 18/01/27	Fri 04/06/27	22
35		Revised Consent	0 days	Fri 04/06/27	Fri 04/06/27	34
36		**Construction Procurement**	**240 days**	**Mon 09/11/26**	**Fri 08/10/27**	
37		Negotiate PCSA	13 wks	Mon 09/11/26	Fri 05/02/27	3
38		WDC Appointed	0 days	Fri 26/02/27	Fri 26/02/27	37,21,20
39		Stage 2 PCSA (Inc RIBA 3/4)	30 wks	Mon 01/03/27	Fri 24/09/27	22,38,20
40		Tender Adjudication	4 wks	Mon 30/08/27	Fri 24/09/27	39FF
41		Building Contract Placed	0 days	Fri 08/10/27	Fri 08/10/27	4,12
42		**Construction**	**650 days**	**Mon 11/10/27**	**Fri 05/04/30**	
43		Mobilisation	4 wks	Mon 11/10/27	Fri 05/11/27	41
44		Start on Site	0 days	Fri 05/11/27	Fri 05/11/27	43
45		Construction Period	126 wks	Mon 08/11/27	Fri 05/04/30	44
46		Tenant Fit-Outs	13 wks	Mon 07/01/30	Fri 05/04/30	47FF,53
47		PC	0 days	Fri 05/04/30	Fri 05/04/30	45
48		**Leasing (GF Units)**	**545 days**	**Mon 08/11/27**	**Fri 07/12/29**	
49		Marketing	70 wks	Mon 08/11/27	Fri 09/03/29	44
50		Negotiate HoTs	26 wks	Mon 11/12/28	Fri 08/06/29	49FF+13 wks
51		Draft Agreements for Lease	26 wks	Mon 12/03/29	Fri 07/09/29	50SS+13 wks
52		AfLs Exchanged	0 wks	Fri 07/09/29	Fri 07/09/29	51
53		Fit-Out Design & Procurement	26 wks	Mon 11/06/29	Fri 07/12/29	51SS+13 wks,5
54		**Hotel Operator**	**1005 days**	**Mon 04/12/23**	**Fri 08/10/27**	
55		Market Anaylsis and Feasibility	40 wks	Mon 06/05/24	Fri 07/02/25	16
56		Operator Search	12 wks	Mon 21/04/25	Fri 11/07/25	55
57		Operator Selection	56 wks	Mon 25/08/25	Fri 23/10/26	56,29FF+4 wks
58		Negotiate HMA HoTs	6 wks	Mon 26/10/26	Fri 04/12/26	57
59		HMA HoTs Agreed	0 wks	Fri 04/12/26	Fri 04/12/26	58
60		Technical Design Input	60 wks	Mon 04/12/23	Fri 24/01/25	
61		HMA Drafting	15 wks	Mon 07/12/26	Fri 19/03/27	3,59
62		HMA Exchange	0 wks	Fri 19/03/27	Fri 19/03/27	61
63		HMA Unconditional	0 days	Fri 08/10/27	Fri 08/10/27	62,41
64		**Funding**	**555 days**	**Mon 25/08/25**	**Fri 08/10/27**	
65		Market Engagement	67 wks	Mon 25/08/25	Fri 04/12/26	57SS
66		Preferred Partner Selected	0 days	Fri 04/12/26	Fri 04/12/26	65
67		Finalise Regen Lease HoTs	12 wks	Mon 07/12/26	Fri 26/02/27	66
68		Regen Lease Drafting	13 wks	Mon 01/03/27	Fri 28/05/27	67
69		Regen Lease Exchange	0 days	Fri 28/05/27	Fri 28/05/27	68
70		Regen Lease Unconditional	0 days	Fri 08/10/27	Fri 08/10/27	69,41



Appendix B. Risk Register

Risk No.	Risk Description	Probability (1-5)	Impact (1-5)	Risk Score	Owner	Current Status/ Mitigation/ Contingency	Risk Budget	Status	Residual Probability	Residual Impact	Residual Risk Score
Rsk001	**Site Assembly:** Delay to and/or cost increase due to the CPO process required to assemble the remaining site.	3	4	12	WDM	Engagement with specialist CPO advisors. Consideration of purchases by private treaty if appropriate	£ Nil	Open	3	4	12
Rsk002	**Design Development:** Increased cost due to design development requirements for the Spa scheme beyond current RIBA 2 design stage	3	4	12	WDM	RIBA 2 design for Spa scheme underway. Further site investigations to start Q4 26. RIBA 3&4 to be developed under PCSA	£2.981m	Open	3	2	6
Rsk003	**Construction Inflation:** Inflation on construction cost due to market forces and geopolitical events.	4	4	16	WDM	Inflationary allowance based on current industry allowances are included in the budget.	£4.518m	Open	4	2	12
Rsk004	**Hotel Operator Agreement:** Delay to or agreement of lower than forecast terms to the Agreement.	3	4	12	WDM	Continuing engagement with the preferred Hotel Operator/Partner.	£ Nil	Open	2	4	8
Rsk005	**Hotel Equity Contribution:** Reduction in the quantum of equity contribution to the funding package leading to need for extra funding.	3	4	12	WDM	Continuing engagement with the preferred Hotel Operator/Partner.	£ Nil	Open	2	4	8
Rsk006	**Hotel EBITDA:** Lower than forecast EDITDA for the operational hotel leading to income to service debt.	3	4	12	WDM	Continued engagement with the preferred Hotel Operator on the operational model and revenue projections.	£ Nil	Open	3	4	12
Rsk007	**F&B Rents:** Lower than forecast rents and/or higher incentive. packages from occupiers leading to reduced income to service debt.	3	3	9	WDM	Monitoring of F&B market conditions. Early engagement with F&B operators.	£ Nil	Open	3	3	9
Rsk008	**Regen Lease Indexation:** Higher than forecast CPI figures leading to higher Regen Lease rental.	4	2	8	WDM	Monitoring of CPI projections Potentially off set by corresponding inflation on income.	£ Nil	Open	4	2	8
Rsk009	**Regen Lease Yield:** Higher than forecast Yield metric leading to less capital premium.	4	3	12	WDM	Continued engagement with Institutional investors to understand market volatility. Will require additional PWLB borrowing.	£ Nil	Open	4	2	8
Rsk010	**PWLB Interest rates:** Higher than forecast interest rates leading to higher debt service costs.	3	3	9	WDM TC	Monitoring of DMA projected interest rates. TC corporate debt management	£ Nil	Open	3	3	9

Appendix D. Design Pack



22100 Ground Floor - Spa Option



22101 First Floor - Spa Option



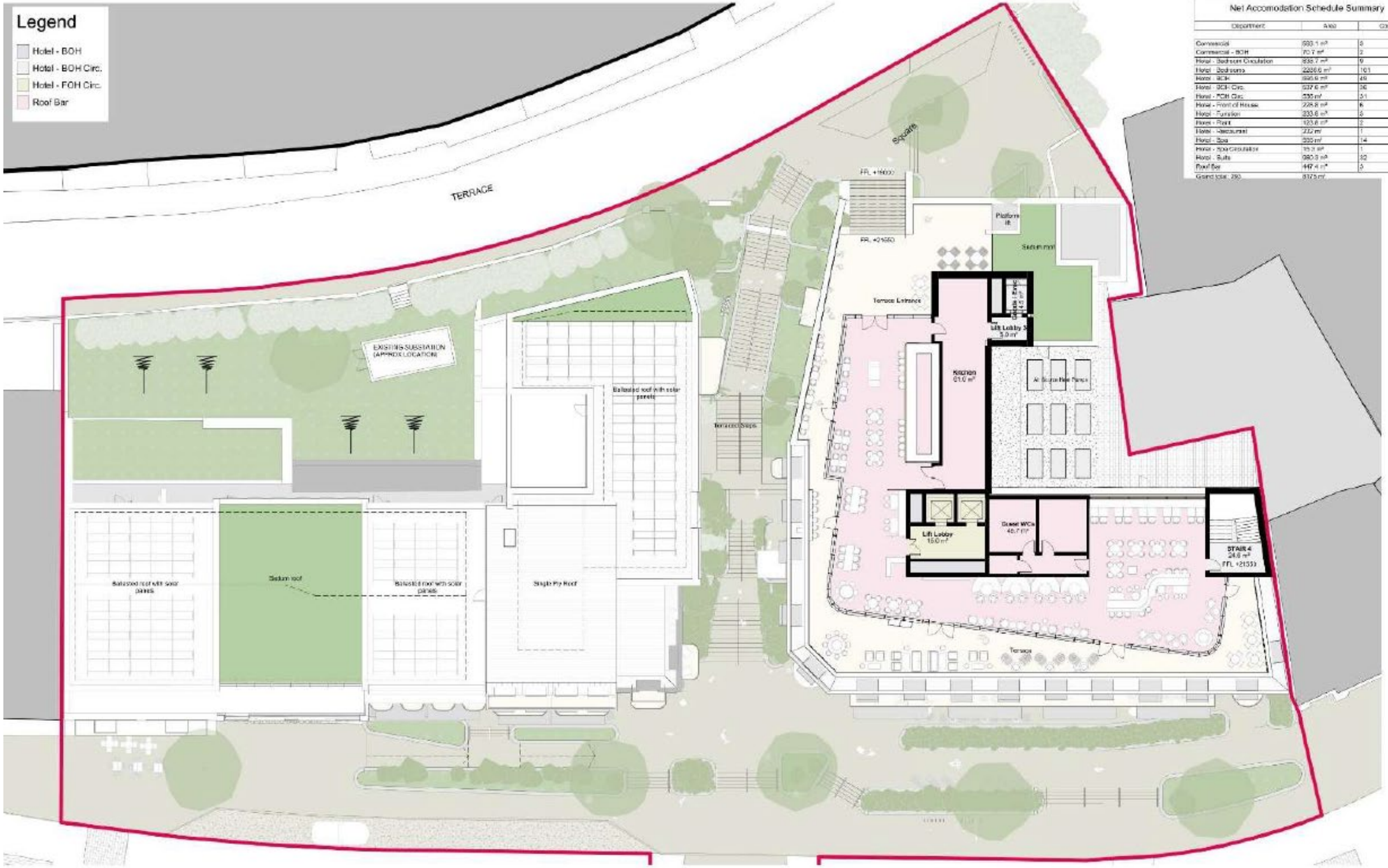
22102 Second Floor



22103 Third Floor



22104 Fourth Floor

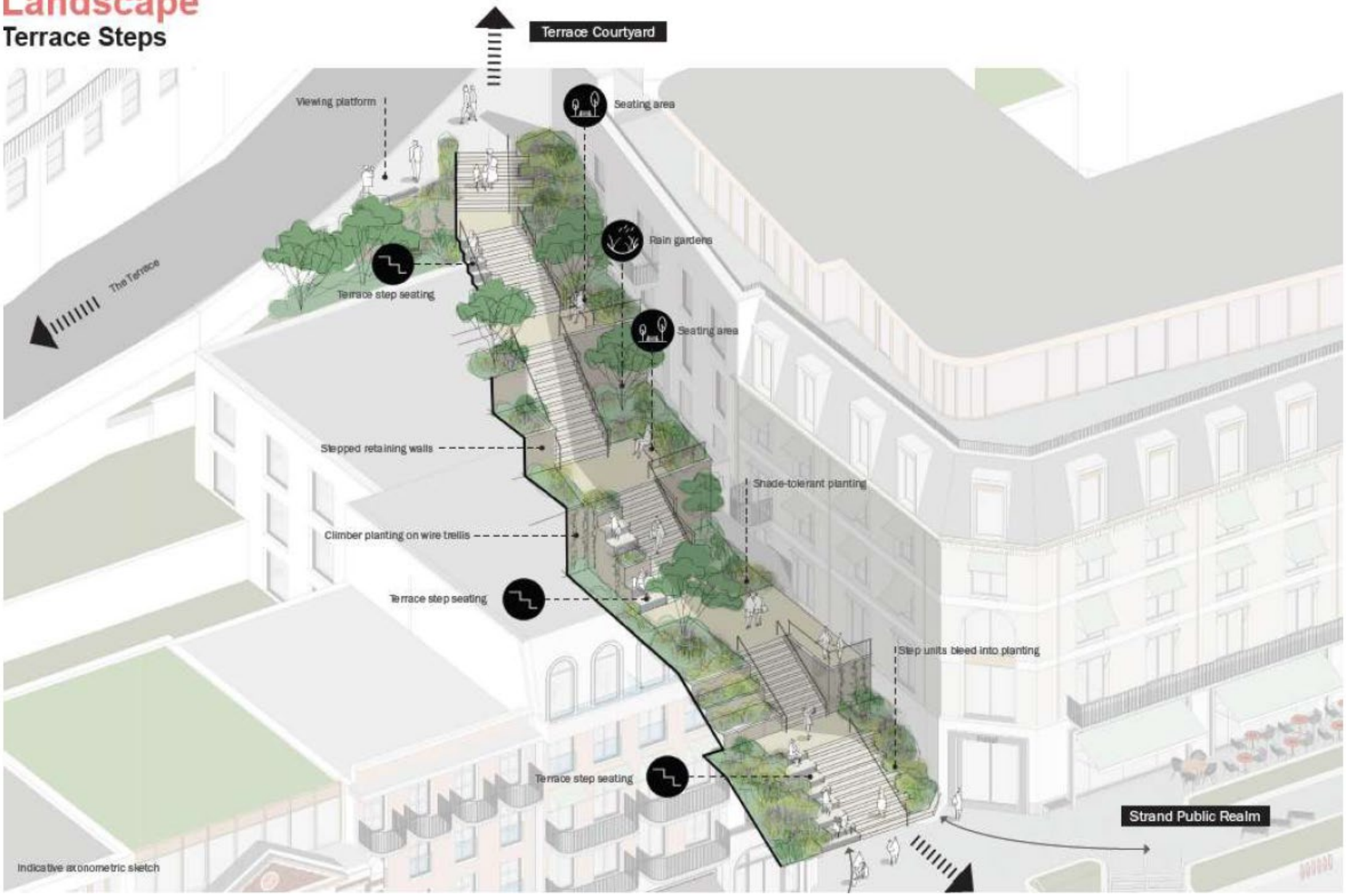


Net Accomodation Schedule Summary		
Department	Area	Count
Commercial	593.1 m²	5
Commercial - BOH	70.7 m²	2
Hotel - Bedroom Circulation	836.7 m²	9
Hotel - Bedrooms	2236.6 m²	101
Hotel - BOH	995.9 m²	49
Hotel - BOH Circ.	537.6 m²	36
Hotel - FOH Circ.	330 m²	31
Hotel - Front of House	228.8 m²	6
Hotel - Function	333.6 m²	5
Hotel - Pool	123.8 m²	2
Hotel - Restaurant	222 m²	1
Hotel - Spa	350 m²	14
Hotel - Spa Circulation	151.9 m²	1
Hotel - Suite	380.3 m²	52
Roof Bar	447.4 m²	5
Grand total: 280	6175 m²	

22105 Fifth Floor

Landscape

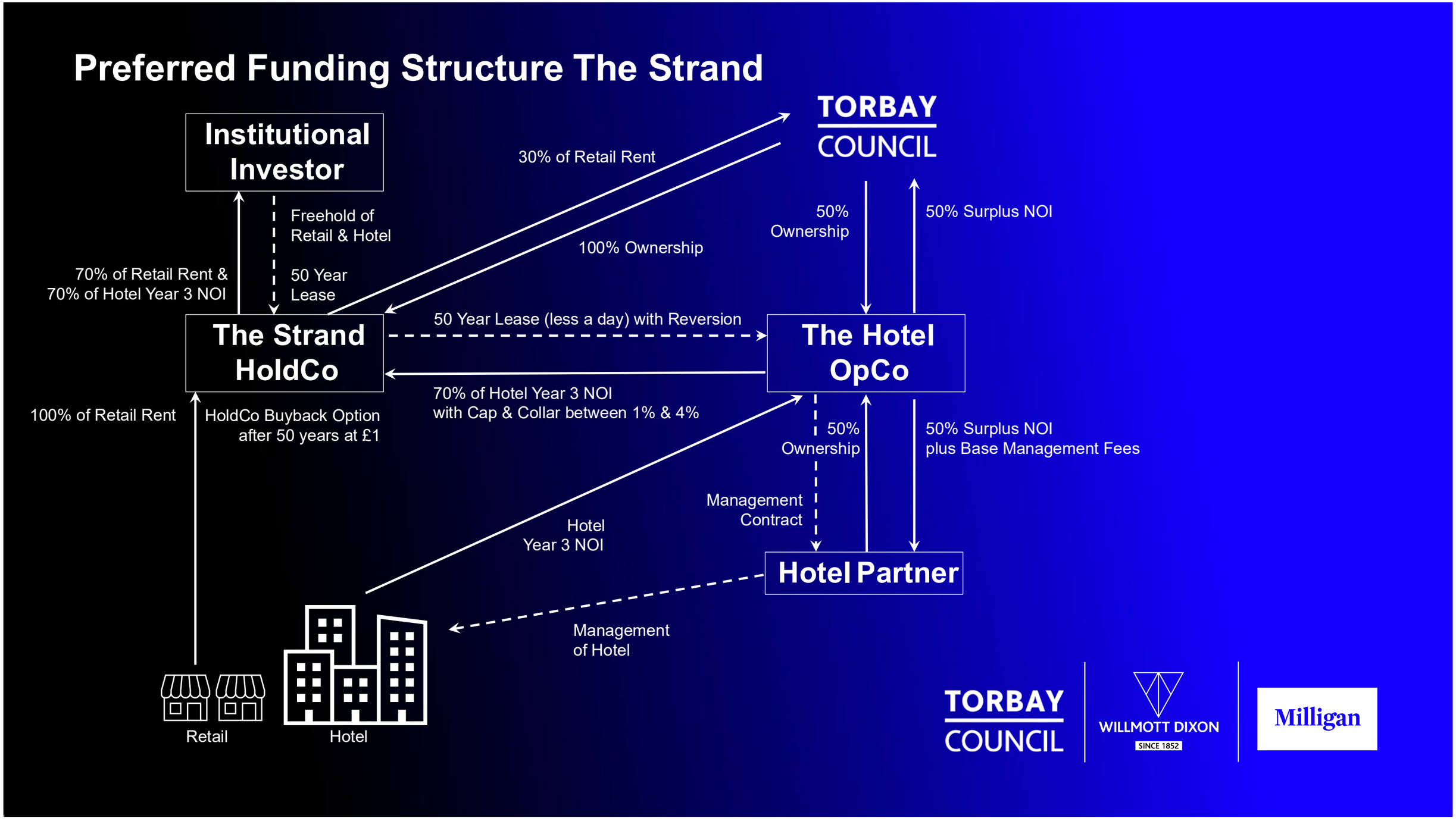
Terrace Steps



The Proposed Strand



Appendix E. Legal & Operational Structure



Appendix F: Development Appraisal

Investment Value versus Development Cost (@ PC+ 2 Years)

SUMMARY

KEY METRICS — **The Strand Torquay**

Scheme Information

Development Period	7	Years
Debt Interest rate	5.00%	Per Annum
Exit Point	PC+	2 Years

Revenue Generating Areas

	Area		% of Total
F&B	6,415		100.0%
Total Area	**6,415**	**Sq Ft**	**100.0%**
Hotel	133	Keys	

Income & Investment Value

	Net Revenue	Average Yield	Cap Value	% of Total
F&B	£190,022	23.333%	£814,379	5.8%
Hotel	£3,099,737	46.667%	£6,642,293	94.2%
Totals	**£3,289,758**	**44.118%**	**£7,456,671**	**100%**
Headlease	£0	0.0%	£0	
NOI Deductions			£0	
Rent Free Periods			-£95,011	
Purchasers Costs			-£465,491	
Capital Receipts			£60,428,255	
Interim Income (inc void costs)			£5,172,137	
Net Realisation			**£72,496,561**	

Development Costs & Overlay

		% of Total
Acquisition Costs	£6,516,979	8.1%
Planning Costs	£905,397	1.1%
Construction Costs	£62,205,226	77.2%
Other Construction	£430,000	0.5%
Professional Fees	£3,545,294	4.4%
Marketing & Letting	£292,493	0.4%
Disposal/Funding Costs	£496,211	0.6%
Capital Incentives	£285,033	0.4%
Finance Costs	£5,901,094	7.3%
Totals	**£80,577,727**	**100.0%**

Profit & Performance (Cost vs Value at Exit)

Profit	**-£8,081,165**
Profit on Cost %	**-10.03%**
Peak Debt	**£15,682,355**

Profit & Performance (Revenue Vs Debt Service from PC + 1yr)

Long Term PWLB Debt (Annuity)	**£16,005,595**
Revenue Vs Debt Service (Yr1)	**£3,628**
Revenue Vs Debt Service (Yrs 1-5)	**-£1,479,904**
Revenue Vs Debt Service (Yrs 1-10)	**-£2,818,078**

Hotel Revenue Projection (first 5 years to stabilisation)

TRADING SUMMARY	Y1 (2029) Forecast	Yr1 Q1	Yr1 Q2	Yr1 Q3	Yr1 Q4	Y2 (2030) Forecast	Yr2 Q1	Yr2 Q2	Yr2 Q3	Yr2 Q4	Y3 (2031) Forecast	Yr3 Q1	Yr3 Q2	Yr3 Q3	Yr3 Q4	Y4 (2032) Forecast	Y5 (2033) Forecast
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
SALES	**9,485,753**	**1,748,221**	**2,583,005**	**3,159,314**	**1,995,213**	**10,565,789**	**1,975,320**	**2,890,835**	**3,474,353**	**2,225,281**	**11,605,914**	**2,175,752**	**3,157,939**	**3,836,632**	**2,435,591**	**11,956,960**	**12,384,953**
Cost of Sales	1,007,206	205,080	266,158	296,122	239,845	1,140,795	237,237	304,674	327,649	271,235	1,273,193	264,384	338,814	367,231	302,764	1,316,852	1,362,123
Direct Expenses	853,219	162,426	228,973	267,986	193,834	920,270	177,517	246,797	288,206	207,750	974,514	188,088	260,486	308,145	217,796	996,577	1,023,089
Direct Payroll	2,619,625	552,296	691,157	768,395	607,777	2,879,762	616,812	763,821	830,906	668,222	3,119,692	666,720	824,242	906,526	722,205	3,202,428	3,282,625
DEPARTMENTAL PROFIT	**5,005,703**	**828,419**	**1,396,717**	**1,826,812**	**953,756**	**5,624,963**	**943,753**	**1,575,543**	**2,027,593**	**1,078,074**	**6,238,515**	**1,056,559**	**1,734,398**	**2,254,731**	**1,192,827**	**6,441,102**	**6,717,116**
Overheads	1,929,383	478,443	485,456	482,706	482,778	2,020,966	500,580	508,737	505,871	505,778	2,118,001	524,017	533,411	530,424	530,149	2,168,998	2,221,240
HOTEL GOP before Management Fees	**3,076,321**	**349,976**	**911,261**	**1,344,106**	**470,978**	**3,603,996**	**443,173**	**1,066,806**	**1,521,722**	**572,296**	**4,120,514**	**532,542**	**1,200,987**	**1,724,306**	**662,678**	**4,272,104**	**4,495,876**
Management and Marketing Fees	563,756	102,557	155,448	190,727	115,025	624,257	115,013	172,033	209,775	127,437	681,336	125,873	186,725	230,500	138,238	702,206	728,349
EBITDA	**2,512,564**	**247,420**	**755,813**	**1,153,379**	**355,953**	**2,979,739**	**328,160**	**894,773**	**1,311,947**	**444,859**	**3,439,178**	**406,669**	**1,014,263**	**1,493,806**	**524,439**	**3,569,899**	**3,767,527**
FFE Reserve (4%)	343,968	62,712	95,007	115,966	70,282	380,429	69,888	105,139	127,534	77,868	415,045	76,394	114,085	140,131	84,434	428,098	444,216
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NOP	**2,168,597**	**184,707**	**660,806**	**1,037,413**	**285,671**	**2,599,310**	**258,273**	**789,634**	**1,184,413**	**366,991**	**3,024,133**	**330,275**	**900,178**	**1,353,675**	**440,005**	**3,141,801**	**3,323,311**
	22.9%	10.6%	25.6%	32.8%	14.3%	24.6%	13.1%	27.3%	34.1%	16.5%	26.1%	15.2%	28.5%	35.3%	18.1%	26.3%	26.8%
+2.5% indexation for 2030 Trading	**2,222,812**	**189,325**	**677,326**	**1,063,348**	**292,813**	**2,664,293**	**264,729**	**809,375**	**1,214,023**	**376,166**	**3,099,737**	**338,532**	**922,682**	**1,387,517**	**451,005**	**3,220,346**	**3,406,394**

Overall Rent & Revenue Schedule

RENT & INCENTIVE SCHEDULE

UNITS				LETTABLE AREA (SQ FT)							BASE RENT														TOTAL RENT	INCENTIVES				
											RENTAL RATES (SQ FT)								INFLATION				POST INFLATION		Rent Free	Rent Free	Capital	Capital	TOTAL
Unit No.	Block	Status	Tenant	LGF	GF	+1	+2	+3	+4	Overall (Net)	LGF Rate	GF Rate	+1 Rate	+2 Rate	+3 Rate	+4 Rate	Overall Rate	Current ERV	Annual Rent Inflation		Years	Factor	Projected ERV	Projected Total ERV	months	£	Months	£	INCENTIVE
F&B				**LGF**	**GF**	**+1**	**+2**	**+3**	**+4**	**Total**																			
Ground Level Units		Available		0	6,415	0	0	0	0	6,415		£27.50					£27.50	£176,422	2.0%	1.020	4	1.077	£190,022	£190,022	6	£95,011	18	£285,033	£380,043
Unit		Available		0	0	0	0	0	0	0								£0	0.0%	1.000	0	1.000	£0	£0	0	£0	0	£0	£0
Unit		Available		0	0	0	0	0	0	0								£0	0.0%	1.000	0	1.000	£0	£0	0	£0	0	£0	£0
Totals				**0**	**6,415**	**0**	**0**	**0**	**0**	**6,415**							**£27.50**	**£176,422**					**£190,022**	**£190,022**		**£95,011**		**285,033**	**380,043**
Hotel										**Keys**							**Per Key**												
Unit Ref		Available								133							£23,306	£3,099,737	0.0%	1.000	3	1.000	£3,099,737	£3,099,737	0	£0	0	£0	£0
Totals										**133**								**£3,099,737**					**£3,099,737**	**£3,099,737**		**£0**		**£0**	**£0**
TOTALS																		**£3,276,158**					**£3,289,758**	**£3,289,758**		**£95,011**		**£285,033**	**£380,043**

Revenue versus Debt Service Schedule

REVENUE				2030/31	2031/32	2031/32	2032/33											
F&B				Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15
Gross Revenue (inc initial letting voids)				£95,011	£190,022	£190,022	£190,022	£196,197	£214,725	£214,725	£214,725	£214,725	£221,703	£242,639	£242,639	£242,639	£242,639	£250,525
% Void in Year				0%	0%	0%	0%	0%	35%	0%	0%	0%	0%	35%	0%	0%	0%	0%
Letting Void	**Months**	**% of Rent Roll**																
Rental (months)	3			£0	£0	£0	£0	£0	-£18,788	£0	£0	£0	£0	-£21,231	£0	£0	£0	£0
Service Charge (months)	3			£0	£0	£0	£0	£0	-£1,403	£0	£0	£0	£0	-£1,403	£0	£0	£0	£0
Business Rates (months)	3	45%		£0	£0	£0	£0	£0	-£7,482	£0	£0	£0	£0	-£7,482	£0	£0	£0	£0
Letting Costs																		
Rent Free Periods (months)	6			£0	£0	£0	£0	£0	-£37,577	£0	£0	£0	£0	-£42,462	£0	£0	£0	£0
Capital Contributions (months)	6			£0	£0	£0	£0	£0	-£37,577	£0	£0	£0	£0	-£42,462	£0	£0	£0	£0
Leasing Agents Fee (%)		15%		£0	£0	£0	£0	£0	-£9,976	£0	£0	£0	£0	-£9,976	£0	£0	£0	£0
Leasing Legal Fee (%)		5%		£0	£0	£0	£0	£0	-£3,325	£0	£0	£0	£0	-£3,325	£0	£0	£0	£0
Total				**£95,011**	**£190,022**	**£190,022**	**£190,022**	**£196,197**	**£98,596**	**£214,725**	**£214,725**	**£214,725**	**£221,703**	**£114,297**	**£242,639**	**£242,639**	**£242,639**	**£250,525**
Hotel				**Yr 1**	**Yr 2**	**Yr 3**	**Yr 4**	**Yr 5**	**Yr 6**	**Yr 7**	**Yr 8**	**Yr 9**	**Yr 10**	**Yr 11**	**Yr 12**	**Yr 13**	**Yr 14**	**Yr 15**
Net Operating Income				£2,222,812	£2,664,293	£3,099,737	£3,220,346	£3,406,394	£3,474,522	£3,544,012	£3,614,892	£3,687,190	£3,760,934	£3,836,153	£3,912,876	£3,991,133	£4,070,956	£4,152,375
Total				**£2,222,812**	**£2,664,293**	**£3,099,737**	**£3,220,346**	**£3,406,394**	**£3,474,522**	**£3,544,012**	**£3,614,892**	**£3,687,190**	**£3,760,934**	**£3,836,153**	**£3,912,876**	**£3,991,133**	**£4,070,956**	**£4,152,375**
	Per Annum																	
Non Recoverable LL expenses	£0			£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
NET OPERATING INCOME (NOI)				**£2,317,822**	**£2,854,315**	**£3,289,758**	**£3,410,368**	**£3,602,591**	**£3,573,117**	**£3,758,737**	**£3,829,617**	**£3,901,915**	**£3,982,637**	**£3,950,450**	**£4,155,514**	**£4,233,772**	**£4,313,595**	**£4,402,900**
	% of NOI	Annual Minimum																
Asset Managment Fee	1%	£25,000		£25,000	£28,543	£32,898	£34,104	£36,026	£35,731	£37,587	£38,296	£39,019	£39,826	£39,504	£41,555	£42,338	£43,136	£44,029
NET INCOME				**£2,292,822**	**£2,825,772**	**£3,256,861**	**£3,376,264**	**£3,566,565**	**£3,537,386**	**£3,721,149**	**£3,791,321**	**£3,862,896**	**£3,942,811**	**£3,910,945**	**£4,113,959**	**£4,191,434**	**£4,270,459**	**£4,358,871**
PWLB DEBT SERVICE - ANNUITY					1	2	3	4	5	6	7	8	9	10	11	12	13	14
Total Debt at PC+1yr (inc rolled up interest)	£16,005,595				£16,005,595	£15,873,098	£15,733,976	£15,587,898	£15,434,517	£15,273,466	£15,104,363	£14,926,804	£14,740,368	£14,544,609	£14,339,063	£14,123,240	£13,896,625	£13,658,680
Capital Repayment Element					-£132,497	-£139,122	-£146,078	-£153,382	-£161,051	-£169,103	-£177,559	-£186,436	-£195,758	-£205,546	-£215,823	-£226,615	-£237,945	-£249,843
	Loan Period (yrs)	Interest Rate																
Repayments (Equal Instalments Int+Cap)	40	5.000%			-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777
TOTAL DEBT SERVICE					**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**
REGEN LEASE RENT				4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
	Lease Term (yrs)	Indexation																
Annual Payments	50	2.000%		-£1,151,415	-£2,325,859	-£2,372,376	-£2,419,824	-£2,468,220	-£2,517,585	-£2,567,936	-£2,619,295	-£2,671,681	-£2,725,115	-£2,779,617	-£2,835,209	-£2,891,913	-£2,949,752	-£3,008,747
TOTAL LEASE PAYMENTS				**-£1,151,415**	**-£2,325,859**	**-£2,372,376**	**-£2,419,824**	**-£2,468,220**	**-£2,517,585**	**-£2,567,936**	**-£2,619,295**	**-£2,671,681**	**-£2,725,115**	**-£2,779,617**	**-£2,835,209**	**-£2,891,913**	**-£2,949,752**	**-£3,008,747**
INCOME SHARE (HOTEL OPERATOR)																		
		Share																
Share of Hotel NOI less Regen Lease Rent		50%		-£535,698	-£169,217	-£363,680	-£400,261	-£469,087	-£478,468	-£488,038	-£497,799	-£507,755	-£517,910	-£528,268	-£538,833	-£549,610	-£560,602	-£571,814
TOTAL INCOME SHARE PAYMENTS				**-£535,698**	**-£169,217**	**-£363,680**	**-£400,261**	**-£469,087**	**-£478,468**	**-£488,038**	**-£497,799**	**-£507,755**	**-£517,910**	**-£528,268**	**-£538,833**	**-£549,610**	**-£560,602**	**-£571,814**
Annual Surplus/Deficit				**£605,709**	**-£602,081**	**-£411,972**	**-£376,597**	**-£303,518**	**-£391,444**	**-£267,602**	**-£258,550**	**-£249,317**	**-£232,990**	**-£329,716**	**-£192,860**	**-£182,866**	**-£172,672**	**-£154,467**
Cumulative Surplus/Deficit				**£605,709**	**£3,628**	**-£408,344**	**-£784,942**	**-£1,088,460**	**-£1,479,904**	**-£1,747,505**	**-£2,006,055**	**-£2,255,372**	**-£2,488,362**	**-£2,818,078**	**-£3,010,938**	**-£3,193,803**	**-£3,366,475**	**-£3,520,942**

Yr 16	Yr 17	Yr 18	Yr 19	Yr 20	Yr 21	Yr 22	Yr 23	Yr 24	Yr 25	Yr 26	Yr 27	Yr 28	Yr 29	Yr 30	Yr 31	Yr 32	Yr 33	Yr 34	Yr 35	Yr 36	Yr 37	Yr 38	Yr 39	Yr 40	Yr 41
£274,182	£274,182	£274,182	£274,182	£283,093	£309,825	£309,825	£309,825	£309,825	£319,895	£350,103	£350,103	£350,103	£350,103	£361,481	£395,616	£395,616	£395,616	£395,616	£408,474	£447,046	£447,046	£447,046	£447,046	£461,575	£505,162
35%	0%	0%	0%	0%	35%	0%	0%	0%	0%	35%	0%	0%	0%	0%	35%	0%	0%	0%	0%	35%	0%	0%	0%	0%	35%
-£23,991	£0	£0	£0	£0	-£27,110	£0	£0	£0	£0	-£30,634	£0	£0	£0	£0	-£34,616	£0	£0	£0	£0	-£39,117	£0	£0	£0	£0	-£44,202
-£1,403	£0	£0	£0	£0	-£1,403	£0	£0	£0	£0	-£1,403	£0	£0	£0	£0	-£1,403	£0	£0	£0	£0	-£1,403	£0	£0	£0	£0	-£1,403
-£7,482	£0	£0	£0	£0	-£7,482	£0	£0	£0	£0	-£7,482	£0	£0	£0	£0	-£7,482	£0	£0	£0	£0	-£7,482	£0	£0	£0	£0	-£7,482
-£47,982	£0	£0	£0	£0	-£54,219	£0	£0	£0	£0	-£61,268	£0	£0	£0	£0	-£69,233	£0	£0	£0	£0	-£78,233	£0	£0	£0	£0	-£88,403
-£47,982	£0	£0	£0	£0	-£54,219	£0	£0	£0	£0	-£61,268	£0	£0	£0	£0	-£69,233	£0	£0	£0	£0	-£78,233	£0	£0	£0	£0	-£88,403
-£9,976	£0	£0	£0	£0	-£9,976	£0	£0	£0	£0	-£9,976	£0	£0	£0	£0	-£9,976	£0	£0	£0	£0	-£9,976	£0	£0	£0	£0	-£9,976
-£3,325	£0	£0	£0	£0	-£3,325	£0	£0	£0	£0	-£3,325	£0	£0	£0	£0	-£3,325	£0	£0	£0	£0	-£3,325	£0	£0	£0	£0	-£3,325
£132,040	**£274,182**	**£274,182**	**£274,182**	**£283,093**	**£152,090**	**£309,825**	**£309,825**	**£309,825**	**£319,895**	**£174,746**	**£350,103**	**£350,103**	**£350,103**	**£361,481**	**£200,347**	**£395,616**	**£395,616**	**£395,616**	**£408,474**	**£229,276**	**£447,046**	**£447,046**	**£447,046**	**£461,575**	**£261,967**
Yr 16	**Yr 17**	**Yr 18**	**Yr 19**	**Yr 20**	**Yr 21**	**Yr 22**	**Yr 23**	**Yr 24**	**Yr 25**	**Yr 26**	**Yr 27**	**Yr 28**	**Yr 29**	**Yr 30**	**Yr 31**	**Yr 32**	**Yr 33**	**Yr 34**	**Yr 35**	**Yr 36**	**Yr 37**	**Yr 38**	**Yr 39**	**Yr 40**	**Yr 41**
£4,235,423	£4,320,131	£4,406,534	£4,494,664	£4,584,558	£4,676,249	£4,769,774	£4,865,169	£4,962,473	£5,061,722	£5,162,956	£5,266,216	£5,371,540	£5,478,971	£5,588,550	£5,700,321	£5,814,327	£5,930,614	£6,049,226	£6,170,211	£6,293,615	£6,419,487	£6,547,877	£6,678,835	£6,812,411	£6,948,660
£4,235,423	**£4,320,131**	**£4,406,534**	**£4,494,664**	**£4,584,558**	**£4,676,249**	**£4,769,774**	**£4,865,169**	**£4,962,473**	**£5,061,722**	**£5,162,956**	**£5,266,216**	**£5,371,540**	**£5,478,971**	**£5,588,550**	**£5,700,321**	**£5,814,327**	**£5,930,614**	**£6,049,226**	**£6,170,211**	**£6,293,615**	**£6,419,487**	**£6,547,877**	**£6,678,835**	**£6,812,411**	**£6,948,660**
£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
£4,367,463	**£4,594,313**	**£4,680,715**	**£4,768,846**	**£4,867,650**	**£4,828,339**	**£5,079,599**	**£5,174,995**	**£5,272,298**	**£5,381,617**	**£5,337,702**	**£5,616,318**	**£5,721,643**	**£5,829,073**	**£5,950,031**	**£5,900,668**	**£6,209,944**	**£6,326,230**	**£6,444,842**	**£6,578,684**	**£6,522,892**	**£6,866,534**	**£6,994,923**	**£7,125,881**	**£7,273,987**	**£7,210,626**
£43,675	£45,943	£46,807	£47,688	£48,677	£48,283	£50,796	£51,750	£52,723	£53,816	£53,377	£56,163	£57,216	£58,291	£59,500	£59,007	£62,099	£63,262	£64,448	£65,787	£65,229	£68,665	£69,949	£71,259	£72,740	£72,106
£4,323,788	**£4,548,370**	**£4,633,908**	**£4,721,158**	**£4,818,974**	**£4,780,055**	**£5,028,803**	**£5,123,245**	**£5,219,575**	**£5,327,801**	**£5,284,325**	**£5,560,155**	**£5,664,426**	**£5,770,783**	**£5,890,531**	**£5,841,661**	**£6,147,844**	**£6,262,968**	**£6,380,394**	**£6,512,898**	**£6,457,663**	**£6,797,868**	**£6,924,974**	**£7,054,622**	**£7,201,247**	**£7,138,520**
15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40
£13,408,837	£13,146,502	£12,871,051	£12,581,827	£12,278,141	£11,959,272	£11,624,459	£11,272,905	£10,903,774	£10,516,186	£10,109,218	£9,681,903	£9,233,221	£8,762,105	£8,267,434	£7,748,029	£7,202,654	£6,630,010	£6,028,734	£5,397,394	£4,734,487	£4,038,435	£3,307,580	£2,540,182	£1,734,415	£888,359
-£262,335	-£275,452	-£289,224	-£303,685	-£318,870	-£334,813	-£351,554	-£369,131	-£387,588	-£406,967	-£427,316	-£448,682	-£471,116	-£494,671	-£519,405	-£545,375	-£572,644	-£601,276	-£631,340	-£662,907	-£696,052	-£730,855	-£767,398	-£805,768	-£846,056	-£888,359
-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777
-£932,777	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**
19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44
-£3,068,922	-£3,130,300	-£3,192,906	-£3,256,764	-£3,321,900	-£3,388,337	-£3,456,104	-£3,525,226	-£3,595,731	-£3,667,645	-£3,740,998	-£3,815,818	-£3,892,135	-£3,969,977	-£4,049,377	-£4,130,364	-£4,212,972	-£4,297,231	-£4,383,176	-£4,470,839	-£4,560,256	-£4,651,461	-£4,744,491	-£4,839,380	-£4,936,168	-£5,034,891
-£3,068,922	**-£3,130,300**	**-£3,192,906**	**-£3,256,764**	**-£3,321,900**	**-£3,388,337**	**-£3,456,104**	**-£3,525,226**	**-£3,595,731**	**-£3,667,645**	**-£3,740,998**	**-£3,815,818**	**-£3,892,135**	**-£3,969,977**	**-£4,049,377**	**-£4,130,364**	**-£4,212,972**	**-£4,297,231**	**-£4,383,176**	**-£4,470,839**	**-£4,560,256**	**-£4,651,461**	**-£4,744,491**	**-£4,839,380**	**-£4,936,168**	**-£5,034,891**
-£583,250	-£594,915	-£606,814	-£618,950	-£631,329	-£643,956	-£656,835	-£669,971	-£683,371	-£697,038	-£710,979	-£725,199	-£739,703	-£754,497	-£769,587	-£784,978	-£800,678	-£816,691	-£833,025	-£849,686	-£866,679	-£884,013	-£901,693	-£919,727	-£938,122	-£956,884
-£583,250	**-£594,915**	**-£606,814**	**-£618,950**	**-£631,329**	**-£643,956**	**-£656,835**	**-£669,971**	**-£683,371**	**-£697,038**	**-£710,979**	**-£725,199**	**-£739,703**	**-£754,497**	**-£769,587**	**-£784,978**	**-£800,678**	**-£816,691**	**-£833,025**	**-£849,686**	**-£866,679**	**-£884,013**	**-£901,693**	**-£919,727**	**-£938,122**	**-£956,884**
-£261,161	**-£109,623**	**-£98,588**	**-£87,333**	**-£67,031**	**-£185,015**	**-£16,912**	**-£4,730**	**£7,697**	**£30,340**	**-£100,429**	**£86,362**	**£99,812**	**£113,532**	**£138,791**	**-£6,458**	**£201,418**	**£216,269**	**£231,416**	**£259,596**	**£97,950**	**£329,617**	**£346,014**	**£362,738**	**£394,180**	**£213,968**
-£3,782,103	**-£3,891,725**	**-£3,990,313**	**-£4,077,647**	**-£4,144,678**	**-£4,329,693**	**-£4,346,605**	**-£4,351,335**	**-£4,343,638**	**-£4,313,298**	**-£4,413,727**	**-£4,327,365**	**-£4,227,553**	**-£4,114,021**	**-£3,975,231**	**-£3,981,689**	**-£3,780,271**	**-£3,564,002**	**-£3,332,586**	**-£3,072,990**	**-£2,975,040**	**-£2,645,422**	**-£2,299,409**	**-£1,936,671**	**-£1,542,491**	**-£1,328,523**