



Meeting: Council

Date: 23 July 2015

Wards Affected: Torquay Town Centre, Tormohun

Report Title: Pier Point Restaurant New Lease to Allow Investment (Mayoral Decision)

Is the decision a key decision? Yes

When does the decision need to be implemented? As soon as possible

Executive Lead Contact Details: Mayor Gordon Oliver, Mayor and Executive Lead for Finance, Regeneration and Children

Supporting Officer Contact Details: David White, Senior Development Surveyor, Torbay Development Agency, david.white@torbay.gov.uk

1. Purpose and Introduction

- 1.1 To secure investment in a Torbay Council owned asset in Torquay, known as Pier Point Restaurant, which will improve the building and the built environment along the sea front, create jobs and improve the restaurant offer for residents and visitors alike.

2. Proposed Decision

That the Mayor be recommended:

- 2.1 that the Council enters into an Agreement for Lease to allow the existing tenants of the Pier Point Restaurant to carry out works to extend the ground floor and to create a first floor to the existing restaurant premises and, upon completion of these works, to grant a 125 year lease to the existing tenants on terms previously agreed with the Mayor, Chief Executive of the Torbay Development Agency and the Council's Chief Accountant.

3. Reasons for Decision

- 3.1 Secure the investment in Torbay.
- 3.2 Allow the job creation to proceed.
- 3.3 Improve the appearance and design of the restaurant.
- 3.4 Enhance the built environment along the busy seafront and Torbay Road.
- 3.5 Improve the restaurant offer for residents and visitors alike.

- 3.6 The existing tenants have a 40 year protected lease of the premises, with 34 years remaining and an automatic right to a new lease afterwards, unless the Council is able to satisfy certain grounds and recover possession. As such, the tenants are the only people that can carry out this work and this investment until their lease expires and the Council is able to recover possession of the premises.
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Supporting Information

4. Position

- 4.1 The Pier Point Restaurant is let to the current tenants for 40 years from 2009. Their lease is a protected business tenancy. As such, at the end of their lease they are entitled to a new lease, unless the Council can satisfy certain grounds (such as wishing to occupy the premises itself or that it proposes to redevelop the premises).
- 4.2 The tenants wish to invest in their business. They wish to extend the ground floor and add a first floor. In order to secure the funding to cover these extensive works they need a longer lease.
- 4.3 The proposal is that the tenants will carry out the works to the ground and first floor at their cost and upon completion of these works they will be granted a new 125 year lease.
- 4.4 The benefits of the proposals, in addition to the extra rental income, include job creation and the improvements to the built environment. The 2 storey restaurant will benefit from improved sea views at first floor level, which will be an added attraction for the area.
- 4.5 Such an attraction will add to the vitality of the dining experience of this part of Torquay, which has already seen an award winning development.

5. Possibilities and Options

- 5.1 The current tenants have a 40 year protected lease from 2009. They are the only people capable of carrying out this investment until their lease ends in 34 years. After 40 years the landlord, Torbay Council, has to establish legal grounds for recovering possession of the property such as wishing to occupy the premises itself or proposing redevelopment works. These grounds for possession cannot be used for 34 years.
- 5.2 The only alternative is to reject the request from the existing tenants.

6. Fair Decision Making

- 6.1 It is not considered that the decision will have an impact on the community (including specific impacts upon the vulnerable or equality groups), our Partners or the Council. As such, an Equality Impact Assessment (EIA) has not been completed.

7. Public Services (Social Value) Act 2012

7.1 Not applicable.

8. Risks

8.1 There are no *significant* risks if the proposed decision is not implemented. The benefits outlined in section 3 above will not be realised.

8.2 As with any property development there is a risk, if the proposed decision is made, that the works are started but not completed. We can insert clauses in the Agreement for Lease to address such risks. The Lease would only be granted once the works are completed.

Appendices

Appendix 1: Confidential Heads of Terms (Exempt Paper)

Additional Information

None.