

Record of Decisions

Developing a resilient future for Torquay Pavilion

Decision Taker

Cabinet on 13 February 2024.

Decision

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; and
3. That the Director of Pride in Place prepares a funding strategy for the restoration of the Pavilion.

Reason for the Decision

Torquay Pavilion had been allocated £2 million towards its restoration, from the Torquay Town Deal. This funding was intended to support a restoration of the Pavilion to allow the building to be returned to an active life contributing to the vibrancy of the Torquay harbour area in line with the objectives of the Torquay Town Deal.

Implementation

This decision will come into force and may be implemented on 22 February 2024 unless the call-in procedure is triggered (as set out in the Standing Orders in relation to Overview and Scrutiny).

Information

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 has been 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.

At the meeting Councillor Chris Lewis proposed and Councillor Bye 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

Alternative options were set out in the submitted report and included:

- Do nothing
- Surrender Premium – Heads of Terms
- Enforcement Action
- New lease/tenant post restoration
- Cease all restoration-based activity

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.

Published

16 February 2024

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

Date: _____