

Meeting: Cabinet

Date: 23 July 2019

Wards Affected: Goodrington with Roselands

Report Title: Lease of Land and Buildings at Youngs Park, Goodrington, Paignton

Is the decision a key decision? No

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

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1. Proposal and Introduction

- 1.1 The current leaseholder of the building known as Cantina, Youngs Park, Goodrington, Paignton proposes to redevelop the premises to create additional indoor seating facilities for customers, to enable the business to continue growing. The proposal will see previously unused land adjoining Cantina being built upon to provide the additional indoor seating, subject to obtaining the necessary statutory approvals.
- 1.2 The leaseholder of Cantina also proposes to (separately) lease the adjoining shelter for development into a functions facility, and has been granted planning consent for this use. The proposal will see investment into a shelter which is considered a maintenance liability for the Council, and which attracts anti-social behaviour. The granting of a lease will also provide a new revenue stream from the asset.

2. Reason for Proposal and associated financial commitments

- 2.1 It is considered a surrender and re-grant of the lease coupled with the granting of a new lease for the shelter adjacent to Kantina Limited to be in the best interests of the Council and will secure the long term future of the facilities at this location.
- 2.2 The proposal will generate additional revenue income through an increase of rent under the proposed surrender and re-grant of the lease for the Cantina premises.
- 2.3 The proposal affecting the shelter will extinguish a maintenance liability for the Council, whilst generating additional revenue through the granting of the lease.

3. Recommendation(s) / Proposed Decision

3.1 That the Interim Director of Place, in consultation with the Chief Executive, be authorised to:

- a) surrender and re-grant a lease for a term of 21 years of the land and building known as Cantina, Goodrington, Paignton to Kantina Limited as shown in plan EM3249 set out at Appendix 1 to the submitted report; and
- b) grant a lease for a term of 15 years of the land and building known as the Spanish Shelter, Youngs Park, Goodrington, Paignton to Kantina Limited as shown in plan EM3343 set out at Appendix 2 to the submitted report.

Appendices

Appendix 1: Plan EM3249

Appendix 2: Plan EM3343

Background Documents

None

Section 1: Background Information

1.

What is the proposal / issue?

- a) The existing tenant, Kantina Limited has been in occupation of the premises since 2017, having been assigned the lease. The tenant occupies under a protected tenancy under the Landlord and Tenant Act 1954 for a period of 16 years, with 6 years remaining.

The tenant approached the Council about the possibility of developing the land adjacent to the café / bistro which would provide for an extension to be built to house additional indoor seating for customers. Terms for the site have, subject to Council approval, have been negotiated and agreed. The Council will grant a Development Agreement, which will place conditions upon the tenant to obtain satisfactory planning approval, provide written confirmation of funding before then constructing the proposed facility in accordance with approved plans and specifications.

On practical completion of the redevelopment, the Council will then grant a new Landlord & Tenant Act 1954 protected lease of 21 years to the tenant. The new lease will provide for regular rent reviews.

- b) Kantina Limited wishes to enter into a lease of the shelter adjacent to Cantina Café, to facilitate the redevelopment of the asset to create a functions facility. The Council will grant a Development Agreement, which will place conditions upon the tenant to obtain satisfactory planning approval, provide written confirmation of funding before then constructing the proposed facility in accordance with approved plans and specifications.

On practical completion of the redevelopment, the Council will then grant a new Landlord & Tenant Act 1954 protected lease of 15 years to the tenant.

2.

What is the current situation?

Kantina Limited have outgrown their existing premises and in order to facilitate growth of the business, require additional seating within the premises. The land adjacent is currently under-utilised and does not generate revenue for the Council. The boat swan operator at Youngs Park has agreed to relocate his storage from within the shelter premises, in order to facilitate the development.

The shelter is disused and in a state of disrepair. The shelter has been the subject of vandalism and attracts anti-social behaviour, it is a maintenance liability for the Council.

3.	<p>What options have been considered?</p> <p><u>Cantina:</u></p> <ol style="list-style-type: none"> 1. Do nothing: continue with the existing leaseholder Kantina Limited and refuse consent to the proposals to extend. This will stifle the company's growth along with investment into the Council's asset. <p><u>Shelter:</u></p> <ol style="list-style-type: none"> 1. Do nothing: there has been little investment in this shelter for some years, the shelter is in a state of disrepair and will further deteriorate with the passing of time. TDA underwent an expression of interest exercise and no other expressions of interest were received relating to the shelter, it is therefore considered that demand for this asset is minimal.
4.	<p>How does this proposal support the ambitions, principles and delivery of the Corporate Plan?</p> <p>The proposals will help ensure Goodrington continues to be an attractive place to visit. It will also help promote a healthy and active lifestyle, by encouraging the community to exercise within the park and visit Goodrington all year round.</p> <p>The proposal from the operator to invest in this redevelopment, if supported will help towards creating a more prosperous Torbay, through the creation of new jobs.</p>
5.	<p>How does this proposal contribute towards the Council's responsibilities as corporate parents?</p> <p>n/a</p>
6.	<p>How does this proposal tackle deprivation?</p> <p>n/a</p>
7.	<p>How does this proposal tackle inequalities?</p> <p>n/a</p>
8.	<p>How does the proposal impact on people with learning disabilities?</p> <p>n/a</p>
9.	<p>Who will be affected by this proposal and who do you need to consult with?</p> <p>It is likely the construction phase of the redevelopment would happen during the winter months when facilities in the vicinity are closed. As a consequence the physical impact of the works will be minimal.</p>

	The tenant has consulted with the local community group who are reportedly broadly supportive of the proposals.
10.	<p>How will you propose to consult?</p> <p>The extension of Cantina and redevelopment of the shelter will be subject to the usual statutory requirements including Planning Consent and Building Regulation approvals. This process requires formal consultation and provides an opportunity to comment on the proposal. Planning consent has been granted for both elements of the proposal.</p> <p>No further consultation is planned.</p>

Section 2: Implications and Impact Assessment

11.	<p>What are the financial and legal implications?</p> <p>Financial Impact – There is no negative financial impact to the Council. If the development is approved the tenant will pay an increased rent under the negotiated terms of the new lease. The tenant will also pay a rent for the shelter, which currently does not generate an income for the Council.</p> <p>Legal Impact –</p> <p>Cantina Café: The tenant currently has a protected lease under the Landlord & Tenant Act 1954. The intention is for the Council to grant Development Agreement, which will place conditions upon the tenant to obtain satisfactory planning approval, provide written confirmation of funding before then constructing the proposed facility in accordance with approved plans and specifications.</p> <p>On practical completion of the redevelopment, the Council will then grant a new Landlord & Tenant Act 1954 protected lease of 21 years to the tenant. The new lease will provide for regular rent reviews.</p> <p>Shelter: The intention is for the Council to grant Development Agreement, which will place conditions upon the tenant to obtain satisfactory planning approval, provide written confirmation of funding before then constructing the proposed facility in accordance with approved plans and specifications.</p> <p>On practical completion of the redevelopment, the Council will then grant a new Landlord & Tenant Act 1954 protected lease of 15 years to the tenant. The new lease will provide for regular rent reviews.</p>
12.	What are the risks?

	<p>If the proposal is not implemented the Council will retain the ongoing liability for the repair and maintenance of the existing shelter.</p> <p>If the proposal is approved the Council will need to ensure the tenant has sufficient funds to complete the works.</p>
13.	<p>Public Services Value (Social Value) Act 2012</p> <p>N/A</p>
14.	<p>What evidence / data / research have you gathered in relation to this proposal?</p> <p>No research undertaken.</p>
15.	<p>What are key findings from the consultation you have carried out?</p> <p>No consultation undertaken.</p>
16.	<p>Amendments to Proposal / Mitigating Actions</p> <p>No Amendments proposed.</p>

Equality Impacts

17.	Identify the potential positive and negative impacts on specific groups			
		Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
	Older or younger people			There is no differential impact.
	People with caring Responsibilities			There is no differential impact.
	People with a disability	Improvements will be accessible for people with disabilities.		
	Women or men			There is no differential impact.
	People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>			There is no differential impact.
	Religion or belief (including lack of belief)			There is no differential impact.
	People who are lesbian, gay or bisexual			There is no differential impact.
	People who are transgendered			There is no differential impact.
	People who are in a marriage or civil partnership			There is no differential impact.
	Women who are pregnant / on maternity leave			There is no differential impact.

	Socio-economic impacts (Including impact on child poverty issues and deprivation)	Investment in an area accessed and used by the public. Strong track record in working with apprentices, winning 2019 award for Best Small Employer Ambassador.	
	Public Health impacts (How will your proposal impact on the general health of the population of Torbay)	Operators boast “zero to landfill” and promote environmental agenda, carrying out regular beach cleans and encouraging customers to join in.	
16	Cumulative Impacts – Council wide (proposed changes elsewhere which might worsen the impacts identified above)	None identified	
17	Cumulative Impacts – Other public services (proposed changes elsewhere which might worsen the impacts identified above)	None identified.	