

EXECUTIVE

LEADER: Cllr Jeremy Christophers

PORTFOLIO HOLDER: Cllr Timothy Golder

DATE: 4 December 2018

REPORT OF: Tony Watson, Interim Head of Commercial Service and Cllr Timothy Golder, Portfolio Holder for Economy, Skills and Tourism.

SUBJECT: Letting of the Former Shelter (Goldfish Bowl), The Den, Teignmouth

PART I

RECOMMENDATIONS

The Executive is recommended to resolve:

- 1) The grant of a 25 year lease.
- 2) The delegation of authority to finalise agreement of lease terms to the Interim Head of Commercial Service in conjunction with the Chief Finance Officer.

1. PURPOSE

- 1.1 The purpose of this report is to seek the correct approval to let the Former Shelter (Goldfish Bowl) building to a chosen applicant on a 25 year lease. This approval is required under the Council's Financial Instructions as this commits the Council to a period in excess of 10 years.
- 1.2 Approval is also sought to delegate the authority to sign off the yet to be finalised lease terms to the Interim Head of Commercial Services in conjunction with the Chief Finance Officer.

2. BACKGROUND

- 2.1 In Autumn 2017, the Estates team undertook a review of the former shelter known as the Goldfish Bowl. It was identified as being underutilised given its use as a store. Marketing of the property commenced in February 2018. Due to the known interest from at least one community group, the deadline for expressions of interest was extended and set for 22nd June 2018. This was to ensure that all parties had a reasonable time in which to prepare plans and secure relevant financing. A copy of the marketing details are attached at Appendix A.

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- 2.2 The expressions of interest were reviewed and scored against a scoring matrix by Donna Best (Estates Manager), Matheu Gladman (Graduate Estates Surveyor) and Cllr Timothy Golder (Portfolio Holder for Economy and Assets)..
- 2.3 The expressions of interest were narrowed down to three applicants who were invited for a discussion with the two surveyors and the Portfolio Holder. Following these discussions a preferred tenant was identified.
- 2.4 The building will be adapted to create a Mediterranean styled beach cafe providing an all-day catering offer that aims to enhance the current seafront offering for locals and visitors alike. The tenant is a local company made up of four local business people.

3. MAIN IMPLICATIONS

3.1 Length of Lease

- 3.2 The 25 year lease length has been requested by the preferred tenant. The premises needs significant investment to bring this tired structure into an active use. As such, the tenant will need a 25 year lease length to ensure a return on their investment in the premises. It will also allow the new business to establish itself and build up what is anticipated to be a successful enterprise and a boon to the town's local economy.

3.3 Financial

- 3.4 The premises has, until recently, been used as an operational store. As well as the benefit of bringing new life and economic activity to this important seafront location, the grant of a lease will also bring new revenue income to the Council in the form of rent. In addition, once let, the Council will no longer be responsible for the premises business rates and maintenance costs.

3.5 Legal

- 3.6 Lease terms are yet to be finalised. However, in the terms to be negotiated will be on the basis of a 25 year business tenancy.

3.7 Risk

- 3.8 The main risk for the Council is that this will be a new venture for the chosen tenant. However, the experience of the business partners has been considered as part of the selection process, as well as the detailed business plan provided. Steps have therefore been taken to mitigate the risk to the venture.

4. GROUPS CONSULTED

- Portfolio Holder for Economy, Skills and Tourism

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5. TIME-SCALE

- 5.1 Terms for a lease will initially be agreed subject to the grant of planning permission and premises licence. The lease will be completed at or around the planning decision date, currently anticipated early Spring 2019.

6. JUSTIFICATION

- 6.1 The recommendation for the grant of a 25 year lease is to enable the tenant to make the necessary investment in improvements to the premises and the establishment of a new business. The new tenant will be creating jobs and an attractive destination to enhance Teignmouth and the District as a whole.
- 6.2 Further, the scheme contributes to two Teignbridge 10 super projects - "investing in prosperity" and "going to town".

7. DATE OF IMPLEMENTATION (CONFIRMATION OF DECISION SUBJECT TO CALL-IN)

10.00 a.m. on Tuesday 11th December 2018

Tony Watson
Interim Head of Commercial Services

Cllr Timothy Golder
Portfolio Holder for Economy, Skills & Tourism

BELOW TO BE FILLED IN BY REPORT AUTHOR:

Wards affected	Teignmouth East
Contact for any more information	Matheu Gladman
Background Papers (For Part I reports only)	
Key Decision	N
In Forward Plan	Y
In O&S Work Programme	N
Community Impact Assessment attached:	N
Appendices attached:	A: Marketing Particulars