

## Agenda Item 23

**Cabinet**

**02 May 2012**

**11/1115**



### The Longboat Cafe, Budleigh Salterton

#### Exempt Information

Para 3 Schedule 12A information relating to the finance or business affairs of any particular person

#### Summary

This report seeks authority to grant a 99 year sub-lease of the store behind the public shelter adjacent to the Longboat Cafe to the cafe owners. The Cafe could not operate without the store and they are looking to secure a long term future for the cafe.

Once in place, authority is then sought to grant a 125 year lease to Budleigh Salterton Town Council on the public shelter.

#### Recommendation

1. To grant an 99 year sub-lease for the rear store behind the shelter adjacent to the Longboat Cafe on terms to be agreed by the Head of Economy in consultation with the Portfolio Holder, Economy subject to Landlord's consent.
2. That subject to recommendation 1, a sub-lease of the public shelter adjacent the Longboat Cafe is granted to Budleigh Salterton Town Council for a term of 125 years at a peppercorn rent, subject to Landlord's consent.

#### a) Reasons for Recommendation

The reasons for the recommendations are set out in the main body of this report.

#### b) Alternative Options

For the Council to retain the public shelter and store within the demise of their existing lease.

#### c) Risk Considerations

The risk considerations are dealt with in the main body of the report.

#### d) Policy and Budgetary Considerations

Should the Council choose to enter into negotiations with the cafe owner and Clinton Devon Estates, it is likely that either a capital receipt or an increased annual rental will be realised.

**e) Date for Review of Decision**

Not applicable

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**1.0 Background**

- 1.1 In 2007, and prior to submitting a planning application for a scheme to re-develop the Longboat Café, the owners had approached the Council as land owner to seek agreement to dispose of their land interest to facilitate a scheme.
- 1.2 Following the grant of planning permission to redevelop the café, at its meeting held on 15 June 2011, the Council considered the possible disposal of its land, and the following resolution was made:  
**Resolved:** that the Council confirms as land owner that it does not wish to dispose of its interest to facilitate redevelopment of the Longboat Café (as per the approved planning application).
- 1.3 The owners of the café have since applied for planning permission of a smaller revised scheme, which was refused by Development Management Committee.

**2.0 Recent Developments**

- 2.1 The owners of the café are aware that Budleigh Salterton Town Council has requested that the public shelter adjacent to their business premises be transferred into their control. The owners of the café rely on the use of a store to the rear of the shelter. While the tenants have security of tenure under the Landlord and Tenant Act 1954, they are concerned that on expiry, should the Town Council not renew the agreement, the viability of the business would be detrimentally affected possibly to the extend that it would no longer be viable.
- 2.2 It is therefore proposed that the Council grant a 99 year sub-lease to the owners of the Longboat for the rear store behind the shelter adjacent to the Longboat Café for an initial premium (to be negotiated by the Valuation Office Agency) and thereafter a peppercorn rent. This would ensure the future sustainability of the existing business. This will also require the consent of the Council's landlord, Clinton Devon Estates.
- 2.3 The Longboat café owners would be expected to pay the Council's legal and surveyors' fees incurred. It is recommended that authorisation be given to the Head of Economy to agree terms of the agreement in consultation with the Portfolio Holder, Economy.
- 2.4 Consultation has been undertaken with the Leader of the Council and Ward Member Councillor Alan Dent. Both feel that the store provision should be protected for the café owner and that his business should not be adversely affected by any action of ours. They are therefore in support of the grant of the lease. The Portfolio Holder Economy also supports this proposal.

**3.0 The Public Shelter**

- 3.1 The Town Council are currently preparing for their Jubilee celebrations and are interested in investing some money to enhance the public shelter. As such Cabinet is requested to agree the grant of a sub-lease for a period of 125 years at a

peppercorn rent. This again would be subject to the consent of Clinton Devon Estates as the freeholder and with the expectation that the Town Council will undertake to pay the Council's professional and legal fees.

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## **Legal Implications**

The full terms of any documentation to be agreed upon between the legal and surveying teams. No further comments of a legal nature to be made as a result of the report. No background papers or appendices provided

## **Financial Implications**

As legal & surveyors fees are to be recouped the only expenditure implication is a potentially reduced maintenance cost as responsibility for the store & shelter will presumably transfer to the lessees. The one off income through the initial premium, if at a current market rate, will maximise the income potential of the store.

## **Consultation on Reports to the Executive**

### **Background Papers**

- The Longboat Cafe, Budleigh Salterton Cabinet Report 15 June 2011

### **Appendices**

- Appendix 1 – Site Plan

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Kate Little  
Head of Economy

Cabinet  
02 May 2012