



## CABINET REPORT

<b>Report Title</b>	<b>Abington Park Café: Proposed Lease and Licence Park Inn Hotel: Proposed Ground Lease Extension</b>
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**AGENDA STATUS: PUBLIC**

<b>Cabinet Meeting Date:</b>	19 <sup>th</sup> October 2016
<b>Key Decision:</b>	YES
<b>Within Policy:</b>	YES
<b>Policy Document:</b>	NO
<b>Directorate:</b>	Regeneration, Enterprise & Planning
<b>Accountable Cabinet Member:</b>	Cllr Tim Hadland, Member for Regeneration, Enterprise and Planning
<b>Ward(s)</b>	Castle and Park

### 1. Purpose

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- 1.1 This report seeks authority for two property transactions: (i) the surrender of the existing and grant of a new lease and licence for Abington Park Café and (ii) the extension of the ground lease of the Park Inn Hotel.

### 2. Recommendations

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#### Abington Park Café

- 2.1 That (subject to the advertisement process set out in paragraphs 2.2 and 2.3 of this report) approval be given to the disposal of land by way of lease (shown edged red on Plan at Appendix 1) and licence (shown edged blue on Plan at Appendix 1) of land designated as public open space at Abington Park.
- 2.2 That approval be given to the advertisement of the proposed disposal of public open space in accordance with the requirements of the Local Government Act 1972, as amended by the Local Government Planning and Land Act 1980.

- 2.3 (a) That approval be given for the Cabinet Member for Regeneration Enterprise and Planning to consider representations received following the advertising of the disposal of public open space and to confirm the disposal if no objections are received, **or**
- (b) If objections are received for the disposal of public open space the matter be referred back to Cabinet for determination.
- 2.4 That subject to paragraph 2.3 (a) approval be given to accept the surrender of the existing lease of the Abington Park Café and to grant a new lease of an extended area shown edged red on the plan attached as Appendix 1 to the existing tenant.
- 2.5 That subject to paragraph 2.3 (a) approval be given to grant an annually determinable licence for the placement of tables and chairs within the area shown edged blue on the plan attached as Appendix 1.
- 2.6 That subject to paragraph 2.3 (a) approval be given for the Director of Regeneration Enterprise and Planning, in consultation with the Cabinet Member for Regeneration Enterprise and Planning to agree terms for a new lease and licence of The Abington Park Café.

### **Park Inn Hotel**

- 2.7 That approval be given to grant an extension of the existing ground lease of the Park Inn Hotel site for a premium of £750,000.
- 2.8 That approval be given for the Director of Regeneration, Enterprise and Planning, in consultation with the Cabinet Member for Regeneration Enterprise and Planning to agree terms for the grant an extension of the ground lease of the Park Inn Hotel site.

## **3. Issues and Choices**

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### **3.1 Report Background**

#### **Abington Park Café**

- 3.1.1 This Council owns the freehold interest in land on which the Abington Park Café (previously known as the Old Oak Café) is situated. The property has been leased to an operator for many years and was extended at the current tenant's cost some years ago. The current lease expires in 2029.
- 3.1.2 A further extension to the café, which involves an enlarged trading area and store has been constructed which included the development of additional open land outside of the tenants current lease. Although this extension enjoys the benefit of planning permission the tenant wishes to regularise the position.

- 3.1.3 The tenant has made significant investment in the property including the extension and has requested a further full 25 years lease term to support this expenditure.
- 3.1.4 The tenant currently provides tables and chairs for the consumption of food and drink in an area that extends beyond his current demise and it is desirable to regularise this situation.
- 3.1.5 Parks Service have defined a suitable area for the placement of tables as shown edged blue on the plan at Appendix 1.
- 3.1.6 A licence, determinable annually, for the placement of tables within the area shown edged blue on the plan at Appendix 1 can be granted which would give the tenant the ability to provide this facility and the Council the ability to regulate this use.
- 3.1.7 In the interests of transparency Cabinet should be aware that the tenant is a Member of the Council

### **Park Inn Hotel**

- 3.1.8 This Council owns the freehold interest in land on which the Park Inn is situated. This is shown edged red on the plan at Appendix 2. The property is currently leased to an operator on a ground lease that expires in June 2070.
- 3.1.9 The current rental payable under the lease is £172,810 per annum with a review in 2016 which is on hold pending consideration of the extension.
- 3.1.10 The tenant wishes to extend their lease for a further 70 years on the same terms as the existing lease. A Premium of £750,000 has been negotiated which would be received in addition to the ground rent.
- 3.1.11 NBC have obtained valuations from two independent chartered surveyors which support the lease extension at the price offered.

## **3.2 Issues**

### **Abington Park Café**

- 3.2.1 The additional land proposed to be granted to the tenant is designated as public open space. It is therefore necessary that any proposed disposal by way of lease must be advertised in accordance with statutory requirements. If there were to be any objections, these would have to be considered by the Cabinet or delegated to a member of Cabinet.

## **3.3 Choices (Options)**

### **Abington Park Cafe**

- 3.3.1 The Council could choose not to grant a new lease including the additional land sought. As the extension has been completed the Council could seek to take action to require the Tenant to demolish and remove the extension.

3.3.2 The Council could choose to agree to extend the area of land leased to the Tenant to include the extension. For practical reasons, it is suggested that this be done by way of a surrender of the existing lease and the grant of a new lease to include the land identified on the plan within a single lease. If this is done, the Tenant has requested that the new lease be for a period of 25 years. A license to regularise the siting of tables and chairs could also be granted. This is the recommended option.

3.3.3 The Council could choose not to grant an annually determinable licence for the placement of tables and chairs.

#### **Park Inn Hotel**

3.3.4 The Council could chose to extend the ground lease for a premium payment of £750,000 on the same terms as existing. This is the recommended option.

3.3.5 The Council could choose not to grant a lease extension.

### **4. Implications (including financial implications)**

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#### **4.1 Policy**

4.1.1 This report does not set Policy.

#### **4.2 Resources and Risk**

4.2.1 Implementation of the recommendations of this report will increase both revenue and capital income of the Council.

#### **4.3 Legal**

4.3.1 LGSS will be conducting the lease licence and lease extension should these be approved.

4.3.2 Legal comments are contained within the body of this report.

#### **4.4 Equality and Health**

##### **Abington Park Café**

4.4.1 There are no direct equality and health implications arising directly from the proposed property arrangements. The Café is in an area where it is available to all sections of the community.

##### **Park Inn Hotel**

4.4.2 There are no direct equality and health implications arising directly from the proposed property arrangements. The hotel is available to all sections of the community.

#### **4.5 Consultees (Internal and External)**

4.5.1 Parks Services have been consulted on the proposed lease and licence of Abington Park Café and Legal and Finance and Governance inputs on both matters are to be sought.

#### **4.6 How the Proposals deliver Priority Outcomes**

4.6.1 The proposals contained in this report will increase revenue and capital income to the Council assisting in the delivery of priority outcomes.

#### **4.7 Other Implications**

4.7.1 We are not aware of any other implications arising from the recommendations contained within this report.

### **5. Background Papers**

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5.1 A file, reference AB&PGMM / 02 has been prepared which contains information of commercial sensitivity and so is not attached to this report.

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