

Officer Non Key Executive Decision

Relevant Chief Officer (Decision Maker):	Steve Thompson, Director of Resources
Relevant Cabinet Member (for consultation purposes):	Councillor Mark Smith, Cabinet Member for Regeneration, Enterprise and Economic Development
Report Author (Officer name and title):	Paul Jones, Head of Property Services
Implementation Date of Decision:	7 December 2017

LEASE AT FORMER PAGL UNIT, GOLDEN MILE CENTRE

1.0 Purpose of the report:

- 1.1 To seek approval of a 10 year lease to Pure Jump (Rugby) Ltd at the former PAGL unit of the Golden Mile Centre, securing an all-inclusive rental income of £120,000 per annum, pending future re-development of the site which is accounted for by provision of a development break-clause after 3 years and then 12 months thereafter. A relocation clause is also included to provide the opportunity for the Council to accommodate the business within the CLQ development within the first three years.

2.0 Recommendation(s):

- 2.1 To approve the lease to Pure Jump (Rugby) Ltd on the basis outlined in the appended Summary Heads of Terms.

3.0 Reasons for recommendation(s):

- 3.1 To secure an all-inclusive rental income of £120,000 per year and mitigate security and holding costs benefitting from active use of the unit, which would otherwise be vacant pending future re-development of the CLQ.

The lease makes provision for the site to be returned for re-development by means of a break clause after 3 years, and then 12 months thereafter.

- | | | |
|------|--|-----|
| 3.2a | Is the recommendation contrary to a plan or strategy adopted or approved by the Council? | No |
| 3.2b | Is the recommendation in accordance with the Council's approved budget? | Yes |

3.3 Other alternative options to be considered:

Site held vacant pending development of the CLQ – loss of prospective income totalling £1.2M over the duration of the lease, and management issues of securing an empty site in the interim.

4.0 Council Priority:

4.1 The relevant Council Priority is:

“The economy: Maximising growth and opportunity across Blackpool”

5.0 Background Information

5.1 The unit was formerly operated by Merlin Entertainments, however has been vacant for some time since the closure of the Pirate Adventure Mini Golf attraction.

Does the information submitted include any exempt information?

No

6.0 List of Appendices:

Summary Heads of Terms (confidential)

7.0 Legal considerations:

7.1 Heads of Terms agreed by both parties solicitors.

7.0 Human Resources considerations:

7.1 None.

8.0 Equalities considerations:

8.1 None.

9.0 Financial considerations:

- 9.1 Prospective rental income totalling £1.2M over a ten year period via an all-inclusive rental agreement of £120,000 per annum – this is an increase of £40,000 per annum from the previous income received from the Pirate Adventure Mini Golf letting.

10.0 Risk management considerations:

- 10.1 Lease makes provision for a development break clause after 3 years and then 12 months thereafter, with relocation clause to provide option for Council to accommodate the business within the CLQ development within the first three years.

11.0 Ethical considerations:

- 11.1 None.

12.0 Internal/ External Consultation undertaken:

- 12.1 Merlin Entertainments has been consulted as a key stakeholder, being the main operators of the Golden Mile Centre, and are supportive of the letting to Pure Jump (Rugby) Ltd.

13.0 Decision of Chief Officer

- 13.1 To approve 10 year lease to Pure Jump (Rugby) Ltd on basis outlined in Heads of Terms.

14.0 Reasons for the Decision of the Chief Officer

- 14.1 To secure maximum rental income and active use of the site in the interim period pending re-development of the CLQ.