

Report from the Estates Manager on behalf of the Asset Management Group

Subject: 'The Shed Bistro' at The Lean-To, Ty Mawr

Introduction

The subject property known as 'The Lean-To, Ty Mawr' forms part of the Authority's wider freehold estate within Porthgain and trades as 'The Shed Bistro'. The Authority's landlord and tenant relationship with its owner/ operator dates back to the early 2000's and has seen 'The Shed Bistro' evolve from a 'new start up', to what is now a mature and successful hospitality business and a significant contributor to the local economy. During that same period Members have twice supported the growth of the business by giving landlords consent for the tenants to extend the building with corresponding adjustments being made to the lease on both occasions. This paper concerns a third such request.

For many years 'The Shed's' operating model has included use of an area of Authority owned land for external seating immediately abutting their building under the terms of an annual licence. More recently our tenants have approached us with a proposal to construct a permanent roof structure at their own cost that would shelter the external seating area from the elements. For our tenant to progress this project they require the Authority's consent as landowner/landlord and planning permission in its capacity as the statutory Planning Authority. The latter requirement has already been addressed by the Authority's Development Management Committee when it approved planning application NP/24/0151/FUL at its meeting in May.

Turning to the question of landowner/landlord consent and subject to the required resolution of the Authority, your Officers have agreed terms with the tenant for them to construct the new canopy structure at their own cost and to allow their ongoing use of the external seating area by including it within the footprint of their lease, with a corresponding increase in their passing rent from £7,500 up to £12,000pa. In all other respects the terms of their existing lease will remain unaltered, so it is proposed that the changes outlined above are regularised by documenting a supplemental lease.

Financial, Risk & Compliance Considerations

- Whilst the existing external seating area meets a basic functional need, the proposal outlined above would materially improve its appearance and functional versatility.
- By definition, the external seating area occupies a prominent location within the village. Whilst we have no currently identified operational use for that same area of land it should be recognised that by moving away from a licence model to its inclusion within a lease, we would be surrendering a significant degree of management control.

- The current annual income that we receive under the present arrangement is £7,500pa from the lease and £1,000pa from the licence i.e. £8,500pa in total. The proposed new rent is £12,000pa.
- The action of granting a supplemental lease represents the creation of a new legal interest in land which requires a resolution of the Authority.

Human Rights/Equality Issues

No issues.

Biodiversity Implications/Sustainability Appraisal

No issues.

Welsh Language Statement

No issues.

RECOMMENDATION:

That Members give delegated authority to the Chief Executive to finalise and document a supplemental lease with the tenants of the Lean-To, Ty Mawr to provide for:

- (a) their construction of the new roof across the external seating area in accordance with planning permission NP/24/0151/FUL**
- (b) regularise their ongoing use of the external seating area within the terms of a lease**
- (c) an increase in the passing rent from £7,500pa to £12,000pa.**