



# EXECUTIVE BOARD DECISION

<b>REPORT OF:</b>	Executive Member for Growth and Development
<b>LEAD OFFICERS:</b>	Strategic Director of Growth & Development
<b>DATE:</b>	Thursday, 13 April 2023

<b>PORTFOLIO/S AFFECTED:</b>	Growth and Development
<b>WARD/S AFFECTED:</b>	Blackburn Central;
<b>KEY DECISION:</b>	No

**SUBJECT: Lease agreement for part of 1<sup>st</sup> Floor King George's Hall, Northgate, Blackburn BB2 1AA.**

**1. EXECUTIVE SUMMARY:** This report seeks approval to grant a lease to Beaumont Management Services Ltd, trading as Akbar's Restaurants Ltd, for the reasons and conditions set out below.

## 2. RECOMMENDATIONS

That the Executive Board:

2.1 Approve the terms outlined in this report.

2.2 Delegates authority to finalise the terms of the lease agreement to the Strategic Director of Growth & Development in consultation with the Executive Member for Growth & Development.

2.3 Subject to 2.2 above, authorise the Deputy Director for Legal and Governance to complete the necessary legal formalities and the lease agreement.

## 3. BACKGROUND

3.1 The purpose of this report is to seek approval to agree a 15-year lease with the Akbar restaurant chain to establish a new restaurant at the 1<sup>st</sup> Floor, King Georges Hall, Northgate Blackburn, BB2 1AA. (Appendix 1).

3.2 The lease will be in the name of Beaumont Management Services Ltd (Company House number 06480090). This company has been trading since 2008 and in their un-audited accounts has shareholder's funds of £1,950,325.

3.3 The service charge costs associated with the building will be apportioned on an occupied area basis and the Council will provide a separate operational agreement to cover all the key obligations and services. All utilities and business rates costs will be met by the tenant.

3.4 The agreement will be outside the Landlord and Tenant Act 1954 and legal costs will be met by each party.

3.5 The Lease Demise Plans are attached at Appendix 1 and the car park plans are attached at Appendix 2.

#### **4 KEY ISSUES AND RISKS**

4.1 Akbar restaurants are high quality and highly popular. They are established in many UK cities, including Leeds, Bradford, Manchester, Newcastle, Birmingham & Glasgow. The selection of Blackburn as a new location for this national brand is a significant and positive milestone for our town centre.

4.2 Akbar's aim to be in occupation as soon as practically possible, given the lengthy fit out period, with an opening date expected in Summer 2023.

4.3 The opening of any new hospitality venue comes with a level of risk, especially given the challenging national economic context, the risk in this instance can be mitigated considering the reputation of the proposed tenant, the long-established business and associated accounts.

4.4 Supporting this proposal will reduce the Council's current vacant property liabilities by £29,500 per annum and bring a much needed leisure opportunity to King George's Hall within the defined Cultural Quarter of Blackburn Town Centre. As with any of the Council's investment estate, if any arrears were to be accrued during the tenancy, appropriate action will be taken.

#### **5. POLICY IMPLICATIONS**

5.1 There are no policy implications.

#### **6. FINANCIAL IMPLICATIONS**

6.1 The tenant will be responsible for their own fit out and associated costs.

#### **7. LEGAL IMPLICATIONS**

7.1 The lease will be outside the protection of the Landlord and Tenant Act 1954, which means that the Tenant has no statutory right to a new lease after the end of the term and the parties have opened negotiation options all of which are quite standard for such lease types.

7.2 Any access to the premises for fit out works etc prior to the lease will formalised by a temporary licence, and on the basis that the lease will be completed before the expiry of the licence.

#### **8. RESOURCE IMPLICATIONS**

8.1 Legal and Surveyor resources will be required to complete this transaction.

## 9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below. Where appropriate please include the hyperlink to the EIA.

Option 1  Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2  In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. *(insert EIA link here)*

Option 3  In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. *(insert EIA attachment)*

## 10. CONSULTATIONS

**10.1** The proposal has been subject to consultations between Council officers, Executive Members and Legal advisors.

## 11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

## 12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded in the Summary of Decisions published on the day following the meeting.

<b>VERSION:</b>	<b>1</b>
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<b>CONTACT OFFICER:</b>	<b>Michael Hardman Property and Development Manager</b>
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<b>DATE:</b>	27/03/2023
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<b>BACKGROUND PAPER:</b>	
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Appendix 1 - Demise Plan

Appendix 2 - Car Park Plan