



Date: **19 July 2021**
Our ref: **Cabinet/Agenda**
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CABINET

29 JULY 2021

A meeting of the Cabinet will be held at 7.00 pm on Thursday, 29 July 2021 in the Council Chamber, Council Offices, Cecil Street, Margate, Kent.

Membership:

Councillor Ashbee (Chair); Councillors: Pugh, J Bayford, R Bayford, Kup and D Saunders

SUPPLEMENTARY AGENDA

Item
No

Subject

5. ASSET MANAGEMENT- GRANVILLE CINEMA (Pages 3 - 6)

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Asset Management - Granville Cinema

Cabinet	29 July 2021
Report Author	Rob Large, Interim Director of Property and Asset Management
Portfolio Holder	Cllr-David Saunders and Cllr- Reece Pugh
Status	For Decision
Classification:	Unrestricted
Key Decision	No
Ward:	Eastcliff

Executive Summary:

The Council's Corporate Statement for 2019-2023 sets out the direction of travel for the next four years. The assets identified below represent ageing property that requires repair and capital investment but, should this be completed, will not improve the return on income or fulfil any operational requirements.

Cabinet is asked to consider the assets and make a decision on the recommended way forward.

Recommendation(s):

- 1 To agree to dispose of the Granville Cinema in accordance with the Council's Community Asset Transfer Policy as listed in Option 1;
- 2 To agree to dispose of the Granville Cinema on the open market under Option 2, if the proposal to dispose under Option 1 does not bring forward a viable purchaser;
- 3 To give delegated authority to the Director of Property, in consultation with the Disposal Surveyor to agree Heads of Terms and enter into the relevant negotiations;
- 4 To give delegated authority to the Director of Law and Democracy to sign all documents necessary to give effect to the disposal.

Corporate Implications

Financial and Value for Money

The disposal of the Granville Cinema will generate a capital receipt for the authority. The Council's 2021-22 capital programme is predicated on the receipt of £48k disposal proceeds in order to fully fund it. It should be noted that this requirement rises to £800k for the 2022-23 programme based on current estimates.

The asset also requires a substantial level of capital investment to bring it up to required compliance standards, and disposal of the asset would avoid the requirement to finance

these costs and reduce ongoing maintenance costs and reduce the risk of incurring future capital expenditure.

Legal

The proposal is for Council to agree in principle to dispose of the property in accordance with the Council's Policy on Community Asset Transfer - see link in the Background Papers section below.

Corporate

The Council's Corporate Statement sets out its commitment to 'Maximise the return on our assets and services'. This recommendation will be supporting the Councils Corporate Statement for 2018 -2023.

Equality Act 2010 & Public Sector Equality Duty

Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.

Protected characteristics: age, sex, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.

This report relates to the following aim of the equality duty: -

- *To foster good relations between people who share a protected characteristic and people who do not share it.*

The freehold sales will have no impact under the Equality Act 2010 and Public Sector Equality Duty. Transfers to benefit the community will support our commitment under these acts to continue to provide inclusive community facilities.

CORPORATE PRIORITIES

This report relates to the following corporate priorities: -

- *Growth*

1.0 Introduction and Background

1.1 Thanet Council is committed to a robust asset management strategy to renew underperforming land and property in order to achieve its corporate aims.

- 1.3 The property and land below have been fully appraised and are considered suitable for disposal via freehold transfer.

2.0 The Current Situation

2.1 GRANVILLE THEATRE, VICTORIA PARADE, RAMSGATE, KENT CT11 8DG

The property comprises a 2 screen cinema/theatre building of 10,750 sq ft approx, with a total of 340 seats built circa 1947.

The cinema and theatre have been closed since March 2020. The council obtained formal possession of the building in June 2021.

The property was nominated and accepted as an Asset of Community Value (ACV) on the 1st of October 2019 (ACV/19/GT). Any disposal of the building will be carried out in accordance with rules on community asset transfers set out in the Localism Act 2011. Please note that the Community Right to Bid (ACV) is a different process to the Community Asset Transfer process.

3.0 Options

The preferred and recommended options are as documented at the top of this report.

3.1 Option 1: Community Asset Transfer

Freehold transfer to a qualifying community organisation in accordance with our Community Asset Transfer policy which states that the transfer will be a “Freehold (permanent) transfer of asset, usually with restrictions on use and development, suitable for established community organisations, already able to demonstrate good custodianship of assets and financial ability to invest in the property in order to benefit ongoing social aims. “

If the proposal fails to deliver a viable purchaser within three months, then the building should be progressed to open market disposal. (as detailed in Option 2)

Note that community asset transfers are not transfers at nil value; the disposal will be required to generate best consideration possible, taking into account that it is listed as an asset of community value.

All transfers will be subject to the transferee paying Thanet Council's reasonable legal and surveying costs.

Option 2: Open market disposal

If no suitable organisation comes forward, within the period set out in Option 1, the recommendation is to dispose of the property on the open market, The Council is not prohibited from this decision simply because the Granville Cinema is listed as an

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Asset of Community Value. However, the listing of the property gives additional rights to community groups to make a Community Right to Bid during the disposal period. This would create a 6 month moratorium period, during which the Council could not sell except to the relevant group making the bid.

Disposal on the open market would mean that the Council must fulfil the requirement under the Local Government Act 1972, to obtain best consideration.

Contact Officer: *Andreea Plant, Disposal and Acquisition Surveyor, Estates Department*
Reporting to: *Rob Large (Interim Director of Property Asset Management)*

Background Papers

Title: Strategic Asset Management Plan - Thanet District Council Website
<https://www.thanet.gov.uk/wp-content/uploads/2018/09/Strategic-Asset-Management-Plan.pdf> or contact estates@thanet.gov.uk.

Community Asset Transfer Policy - Thanet District Council Website
<https://www.thanet.gov.uk/wp-content/uploads/2018/09/Community-Asset-Transfer-Policy-Jan-2018.doc.pdf> or contact estates@thanet.gov.uk.

Corporate Consultation

Finance: Chris Blundell, Director of Finance

Legal: Estelle Culligan, Director of Law and Democracy