

Ref:

Called in

Yes/No

THE THANET DISTRICT COUNCIL

RECORD OF DECISION OF CABINET

Cabinet Member

Councillor Ruth Duckworth

Relevant Portfolio:

Cabinet Member for Regeneration and Property

Date of Decision:

19 December 2024

Subject:

Option to purchase car park, Ramsgate

Key Decision

Yes

In Forward Plan

Yes

Brief summary of matter:

The council leases Royal Harbour multi-storey CP under a financing lease entered into in 1977, which has 48yrs unexpired. The lease contains a tenants option to purchase the leasehold interest, at certain trigger points, the next is in 2025. Exercising the option will have an improved long term budgetary impact for the council.

Decision made:

Cabinet approved exercising the option to purchase the leasehold interest in Royal Harbour Multi-storey car park, Ramsgate at the next available option trigger date and finance the purchase from borrowing.

Reasons for decision:

Exercising the option to purchase would reduce the council's long term costs by a significant sum. It would give the council greater flexibility to consider how it uses the asset and its future.

The annual cost of financing the purchase is estimated to be less than the annual rent payable to the landlord, which escalates on each rent review cycle, and will give the council greater financial certainty.

Alternatives considered and why rejected:

The council could decide not to exercise the option to purchase in 2025 or defer the option. There are further option trigger dates at five yearly intervals for the remainder of the lease term. This option has been rejected as it is less financially beneficial.

Details of any conflict of interest declared by any executive Member who has been consulted and of any dispensation granted by the Standards Committee:

None

Author of Officer report:

Natalie Beldin, Principal Property Surveyor

Background papers

OPTION TO PURCHASE CAR PARK, RAMSGATE report - Google Docs

Statement if decision is an urgent one and therefore not subject to call-in:

None

Last date for call in:

7 January 2025