

# Public Document Pack



Date: **04 June 2018**  
Our ref: **Cabinet/Agenda**  
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## CABINET

**14 JUNE 2018**

A meeting of the Cabinet will be held at **7.00 pm on Thursday, 14 June 2018** in the Council Chamber - Council Offices.

### Membership:

Councillor Bayford (Chairman); Councillors: Savage, Game, I Gregory and Taylor-Smith

## AGENDA

Item  
No

Subject

1. **APOLOGIES FOR ABSENCE**

2. **DECLARATIONS OF INTEREST**

To receive any declarations of interest. Members are advised to consider the advice contained within the Declaration of Interest form attached at the back of this agenda. If a Member declares an interest, they should complete that form and hand it to the officer clerking the meeting and then take the prescribed course of action.

3. **MINUTES OF PREVIOUS MEETING** (Pages 3 - 6)

To approve the summary of recommendations and decisions of the Cabinet meeting held on 15 March 2018, copy attached.

4. **ASSET MANAGEMENT** (Pages 7 - 26)

**Declaration of Interest form - back of agenda**



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## CABINET

### Minutes of the meeting held on 15 March 2018 at 7.00 pm in Council Chamber - Council Offices.

**Present:** Councillor Bayford (Chairman); Councillors Savage, Game, I Gregory and Taylor-Smith

**In Attendance:** Councillors Ashbee, Brimm, Campbell, Connor, Jaye-Jones, Johnston, Messenger, L Piper, S Piper, D Saunders, M Saunders and Shonk

#### **493. APOLOGIES FOR ABSENCE**

There were no apologies received at the meeting.

#### **494. DECLARATIONS OF INTEREST**

There were no declarations of interest.

#### **495. MINUTES OF PREVIOUS MEETING**

Councillor Savage proposed, Councillor Game seconded and Members agreed the minutes as a correct record of the meeting that was held on 31 January 2018.

#### **496. CORPORATE PERFORMANCE REPORT Q3**

Cabinet considered the corporate performance report for Quarter 3 and agreed that a number of performance indicators reflected good overall performance. The new Council administration would continue to work hard to identify ways of improving performance with a particular focus on priority areas that mattered most to local residents.

The Housing Team should be commended for their preparatory work ahead of the introduction of the new homeless redaction legislation in April 2018. The team had been nominated for two national awards which showed demonstrated a continued high level of performance in the context of challenging times.

Councillor Campbell and Councillor Rev Piper spoke under Council Procedure Rule 20.1.

Councillor Gregory proposed, Councillor Savage seconded and Members noted the Council's performance for the period up to 31 December 2017.

#### **497. BUDGET MONITORING Q3 2017/18**

Members discussed the budget monitoring report for Quarter 3 and noted the overall General Fund position was forecast to break even. There had been some underspending in some areas as well as in-year budget pressures experienced in others, which had been addressed by efficiencies and savings elsewhere in the budget. The Housing Revenue Account was forecast to be overspent by £171,000.

This is because of the surplus of £940,000 not being achieved due to a reduction in dwelling rents received. This was a slight improvement to the report made to a previous Cabinet meeting.

With regards to the Capital Programme, another issue noted by Members was that assuming the Harbour Gate and Bridge project cost £750,000 the General Fund

unallocated receipts for Royal Sands was £750,000 (as at 31 December 2017). Cabinet will continue to work with officers to come up with realistic targets as some of the Capital Programme estimates were looking unlikely to be achieved during this financial year.

Councillor Campbell spoke under Council Procedure Rule 20.1.

Councillor Gregory proposed, Councillor Savage seconded and Cabinet agreed the following:

1. To note the forecast position for 2017-18 for:
  - (ii) The General Fund;
  - (iii) The Housing Revenue Account;
  - (iv) The General Fund and Housing Revenue Account Capital Programmes;
2. To note the updated General Fund and Housing Revenue Account capital programmes as set out in annexes 1 and 2 to the Cabinet report.

**498. REPRESENTATION ON EXECUTIVE APPOINTED OUTSIDE BODIES**

The Leader of Council went through his nominations to executive appointed outside bodies as highlighted in Table 1 below and sought Cabinet support for those nominations to represent Thanet District Council for the remainder of the 2017/18 municipal year.

Councillor Johnston spoke under Council Procedure 20.1.

Current list of Executive Appointed Outside Bodies for the year 2017/18. (Nominations agreed by Cabinet)

Table 1

Name of Executive of Outside Body	No. of Reprs	Representative
British Ports Association	1	Councillor Bob Bayford
British Resorts Association (AGM, Annual Conference and Executive Meetings)	1	Councillor Jason Savage
Community Safety Partnership	1	Councillor Lesley Game
Domestic Violence Forum	1 + 1 sub	Councillor Janet Falcon
East Kent Opportunities Ltd	1	Councillor Bob Bayford
East Kent Spatial Development Company	1	Councillor Jason Savage
Kent Police and Crime Panel	1	Councillor Lesley Game
Local Government Association Coastal Special Interest Group	1	Councillor Jason Savage
Local Government Association District Councils' Network	1	Councillor Bob Bayford
Local Government Association (General Assembly)	1	Councillor Bob Bayford
Local Government Association Strategic Aviation Specialist Interest Group	1	Councillor Bob Bayford

## Agenda Item 3

Margate Town Partnership	1	Councillor Mick Tomlinson
South East England Councils	1	Councillor Jason Savage
Supporting People in Kent Commissioning Body	1	Councillor Lesley Game
Thanet Harbour Users' Groups	1 + 1 sub	Councillor Jason Savage
Thanet Quality Bus Partnership	1	Councillor Jennifer Matterface
Tourism South East	1	Councillor Jason Savage
Your Leisure Thanet Sub Group	2	Councillor Jason Savage Councillor Bob Bayford

Councillor Bayford proposed, Councillor Savage seconded and Cabinet agreed the nominations to represent TDC on the executive appointed outside bodies for the remaining part of the 2017/18 municipal year.

Meeting concluded: 7.15 pm

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## Asset Management

Cabinet	<b>14 June 2018</b>
Report Author	<b>Director of Corporate Governance</b>
Portfolio Holder	<b>Cllr Ian Gregory, Portfolio Holder (Finance and Estates)</b>
Status	<b>For Decision</b>
Classification:	<b>Unrestricted</b>
Key Decision	<b>No</b>
Ward:	<b>Garlinge, Bradstow, Margate Central, Cliftonville West, Birchington South</b>

### **Executive Summary:**

As outlined in the Strategic Asset Management Plan (SAMP) 2017 – 2021, the corporate portfolio is under review to ensure that the Council only retains assets that support corporate priorities and deliver value for money.

This report identifies assets that:-

- Are held on the investment portfolio but do not produce a good return of income;
- Are aging property on the investment portfolio that require repair and capital investment but, should this be completed, it will not improve the return on income;
- Are held on the investment portfolio but have been identified as a community asset transfer.

Cabinet are asked to consider each asset and make a decision on the recommended way forward.

### **Recommendation(s):**

- (1) To progress the following property and land through the disposal framework to achieve a capital receipt:
  - Hartsdown Land and Property Plot 1
  - 40 Hawley Square, Margate
  - Land at Hartsdown (Margate Football Club)
  - Land, Zion Place, Margate
- (2) To progress the following property and land through the community asset transfer framework.
  - Alpha Road Land, Birchington
  - Birchington Memorial Ground, Birchington
- (3) To progress the following property as regulated by statute under the Localism Act 2011 through the community asset transfer framework.
  - The “Old Look Out”, Broadstairs.

<b>CORPORATE IMPLICATIONS</b>									
<b>Financial and Value for Money</b>	The capital programme is part-funded from capital receipts generated from the sale of assets. These disposals are required to enable the continued investment in council assets. The disposal of assets listed in this report will not only generate capital receipts but will also reduce ongoing maintenance costs and reduce the risk of incurring future capital expenditure.								
<b>Legal</b>	There are no specific legal implications with respect to these disposals. In general terms the Council is under a duty to get the best consideration reasonably obtainable. There are exceptions including community asset transfer where the council will be relying on the general disposal consent from central government								
<b>Corporate</b>	Review of assets forms part of the adopted policy and corporate aims. The Council should not retain assets unless they provide value for money or support the corporate aims and these assets have been identified as underperforming for the Council.								
<b>Equality Act 2010 &amp; Public Sector Equality Duty</b>	<p>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.</p> <p>Protected characteristics: age, gender, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy &amp; maternity. Only aim (i) of the Duty applies to Marriage &amp; civil partnership.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <td colspan="2" style="padding: 2px;">Please indicate which aim is relevant to the report.</td> </tr> <tr> <td style="padding: 2px;">Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,</td> <td style="width: 50px;"></td> </tr> <tr> <td style="padding: 2px;">Advance equality of opportunity between people who share a protected characteristic and people who do not share it</td> <td style="text-align: center; padding: 2px;">X</td> </tr> <tr> <td style="padding: 2px;">Foster good relations between people who share a protected characteristic and people who do not share it.</td> <td></td> </tr> </table> <p>The freehold sales, with leasehold interests remaining will have no impact under the Equality Act 2010 and Public Sector Equality Duty.</p> <p>The transfers to benefit the community will support our commitment under these acts to continue to provide inclusive community facilities</p>	Please indicate which aim is relevant to the report.		Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,		Advance equality of opportunity between people who share a protected characteristic and people who do not share it	X	Foster good relations between people who share a protected characteristic and people who do not share it.	
Please indicate which aim is relevant to the report.									
Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,									
Advance equality of opportunity between people who share a protected characteristic and people who do not share it	X								
Foster good relations between people who share a protected characteristic and people who do not share it.									

<b>CORPORATE PRIORITIES (tick those relevant)✓</b>	
A clean and welcoming Environment	X
Promoting inward investment and job creation	
Supporting neighbourhoods	X

<b>CORPORATE VALUES (tick those relevant)✓</b>	
Delivering value for money	X
Supporting the Workforce	
Promoting open communications	

## **Introduction and Background**

- 1.1 Thanet Council is committed to a robust asset management strategy, to release underperforming land and property in order to achieve the corporate aims.
- 1.2 Additionally, the Medium Term Financial Strategy (MTFS) requires secure income and capital receipts.
- 1.3 To support these aims and strategies, there is an ongoing review of the corporate portfolio to identify assets that are not meeting the corporate objectives and therefore should be considered for disposal.
- 1.4 The property and land below have been fully appraised and are considered suitable for either obtaining a capital receipt or benefiting the community by way of community asset transfer.

## **2.0 Current Situation**

### **2.1 Hartsdown Land and Property Plot 1 – Freehold Interest**

The property (area shown on attached annex) includes a number of long leasehold interests, operational stores and a yard. The units are in a reasonable to poor condition and there are many protected rights over the land.

The Council retains the repairing obligations of the yard, the drainage, the operational buildings and licenced premises. The estate is aging and now requires reinvestment.

Held on the investment portfolio account this property and land should produce reasonable secure income. However, analysis of this income shows that the gross return on the rent is £0.73 per square foot of property.

A review of the operational buildings shows that the stores used on this estate are now surplus with the contents being cleared and moved to Dane Park Depot. The stores are becoming dilapidated and require substantial investment, they attract a reasonably substantial business rates bill.

Once the business rates and repairing obligations are taken into account, the net income reduces down to a loss. Retention of this estate therefore does not represent value for money and it is recommended this site is sold on the open market through the disposal framework.

The leasehold and licence tenancies would remain unaffected by the disposal although the units currently used by Operations Services would be offered with vacant possession. Contracts would include a clawback provision to capture any future uplift in any development value.

### **2.2 The Old Look Out, Broadstairs – Freehold interest.**

A listed heritage building accounted for on the investment portfolio rent received is £5,965.00 ex Vat. There is a small vacant office which has been marketed for many months with little interest. All income is received on licence terms which mean that the Council retains the liability for the majority of repairs and maintenance as well as Capital works.

Broadstairs and Harbour seafront group have for some time supported the Council in maintaining the building. They take great interest in restoring and preserving the

property for the benefit of the community. In May 2017 they received recognition for their hard work being awarded the “Mayoress Cup” by the Mayor of Broadstairs.

Our review of this property concluded that this asset is not producing a good return on the investment portfolio that it now requires substantial investment and it would benefit from the local community management and maintenance.

On the 18th May 2018 Thanet Council received a Community Right to Bid application, which is being progressed as regulated by the Localism Act 2011. The application is likely to be successful, therefore it is recommended that this property is progressed for disposal as regulated by the Localism Act 2011 through the Community Asset Transfer framework.

## **2.3 40 Hawley Square – Freehold interest**

An operational premises until recently used by the council to deliver front line services. These services are relocating to Cecil Street and therefore the property is now surplus to requirements. It is recommended that this property is disposed on the open market through the disposal framework.

## **2.4 Margate Football Club – Freehold interest.**

Margate Football Club (MFC) have two leasehold interests in Hartsdown park, Margate. One contract expired 2011, rent passing £10,000 and the other expires 2023 rent passing £100.00 ex VAT. This leasehold interests have security of tenure, ie even though the contract has expired the tenants have the right to remain at the site unless the Landlord can prove one of the limited grounds for getting vacant possession.

The tenant has invested in a 3G pitch, and plans to make further investment having planning permission reference F/TH/12/0433 to build an 80 bed hotel, fitness club, and other supporting facilities to sustain the club. MFC will rely on sports funding opportunities to invest in and maintain the club, part of these funding obligations will ensure that the facilities continue to host community sports uses.

It is recognised that MFC need a longer interest in the land in order to secure funding to support the development and community facilities. The existing renewal terms would not give the club sufficient term to secure funding.

A long leasehold would require Cabinet approved and has been considered but long leases are effectively ground rents, the Landlord retains very little control over the leaseholder. This is because recovery is regulated not only by the contract but also by statute and most recovery action is limited to the financial impact the breach has on the Landlords reversionary value. Long leaseholds of this nature require extensive management and the income would be uncertain and not fit the investment strategy.

Therefore, noting that the site is regulated as sports and recreational use through planning and restrictive covenants, the recommended way to support investment in the facilities is to sell the freehold to the club.

The sale would require carefully drafted legal conditions to protect the council's interest including:-

- Restrictive covenant that land is to be used primarily for purposes of sport facilities with ancillary use to support the main use and;
- Public right of way on foot through part of the land to be maintained for public use and;
- A clawback agreement to capture any uplift in change of use should this be successful in the future if there is a change of use approved through the Planning Department.

The disposal would be by way of market value, as determined by a RICS registered valuer advising the council.

## 2.5 **Alpha Road Land & Birchington Memorial Ground – Freehold Interest**

Recreational land (including play facilities and pavilion in the memorial ground) to be retained for public amenity use but surplus to Thanet District Council requirements. It is recommended that these areas of land are progressed for transfer to Birchington Parish Council to continue to hold on trust for members of the public to use. Contracts would ensure restrictive covenants are placed on the land for continued public use.

## 2.6 **Land Zion Place, Margate – Freehold Interest**

Subject to a long leasehold ground lease of £500.00 per annum, lease expires 2070. Adjacent site already agreed for disposal, considered that this site to be packaged to sell freehold but with the leasehold interest unaffected.

## 3.0 **Options**

Cabinet could choose to retain some or all of the property and land, but should be aware that this will result in unplanned repairing and management costs, and risk destabilising the Medium Term Financial Strategy.

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

Contact Officer:	Edwina Crowley, Interim Head of Asset Management
Reporting to:	Tim Howes, Director of Corporate Governance

## **Annex List**

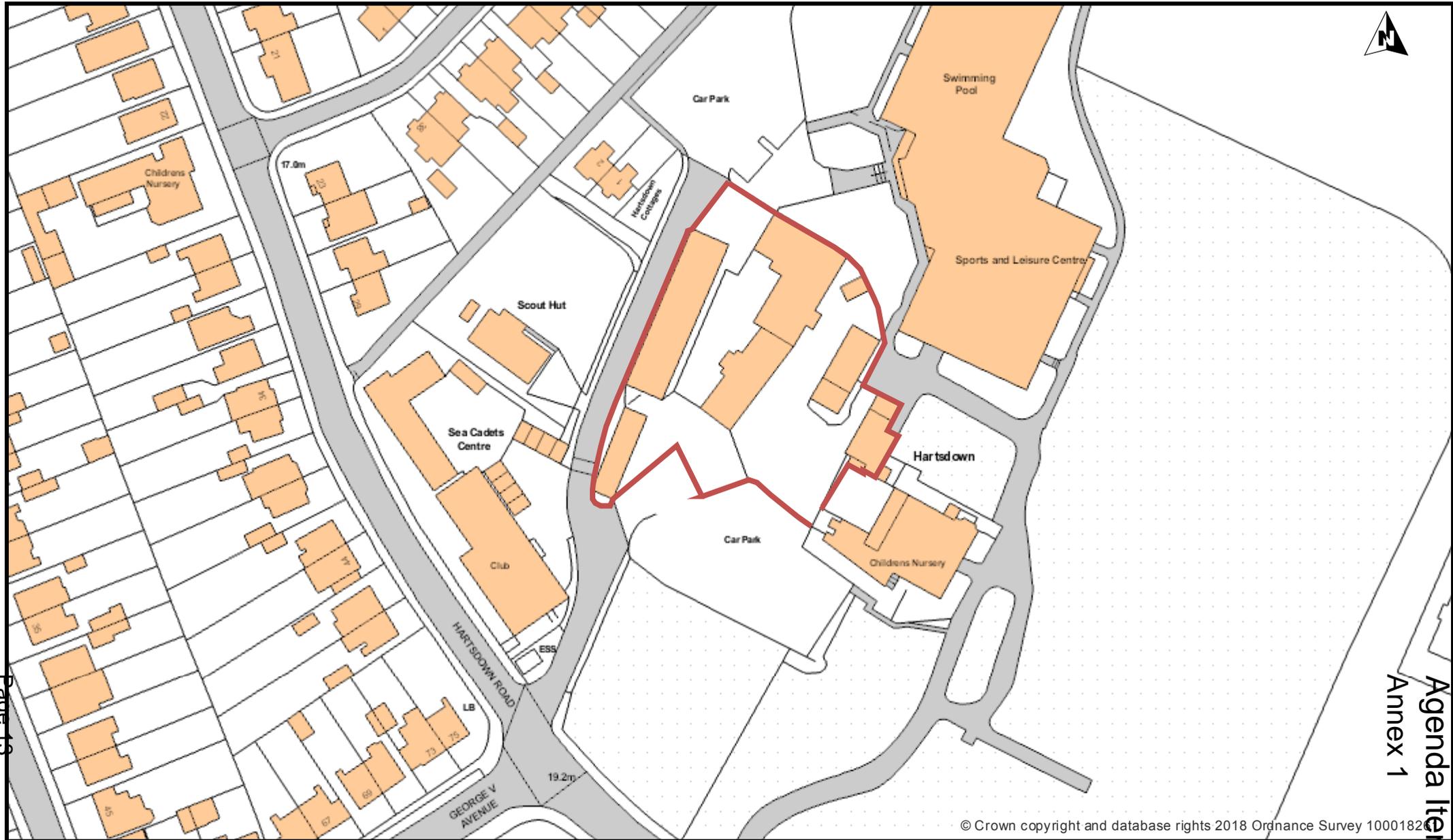
Annex 1	Plan Hartsdown Land and Property Plot 1, Margate
Annex 2	Plan The Old Lookout Building, Broadstairs
Annex 3	Plan 40 Hawley Square, Margate
Annex 4	Plan Margate Football Club, Margate
Annex 5	Plan Alpha Road Land, Birchington
Annex 6	Plan Birchington Memorial Ground
Annex 7	Land Zion Place, Margate

## Background Papers

<b>Title</b>	<b>Details of where to access a copy</b>
Strategic Asset Management Plan	Thanet District Council Web site or contact estates@thanet.gov.uk.
Community Asset Transfer Policy 2018 - 2021	Thanet District Council Web site or contact estates@thanet.gov.uk

## Corporate Consultation

<b>Finance</b>	Gary Whittaker, Interim Finance Manager
<b>Legal</b>	Tim Howes, Director of Corporate Governance & Monitoring Officer



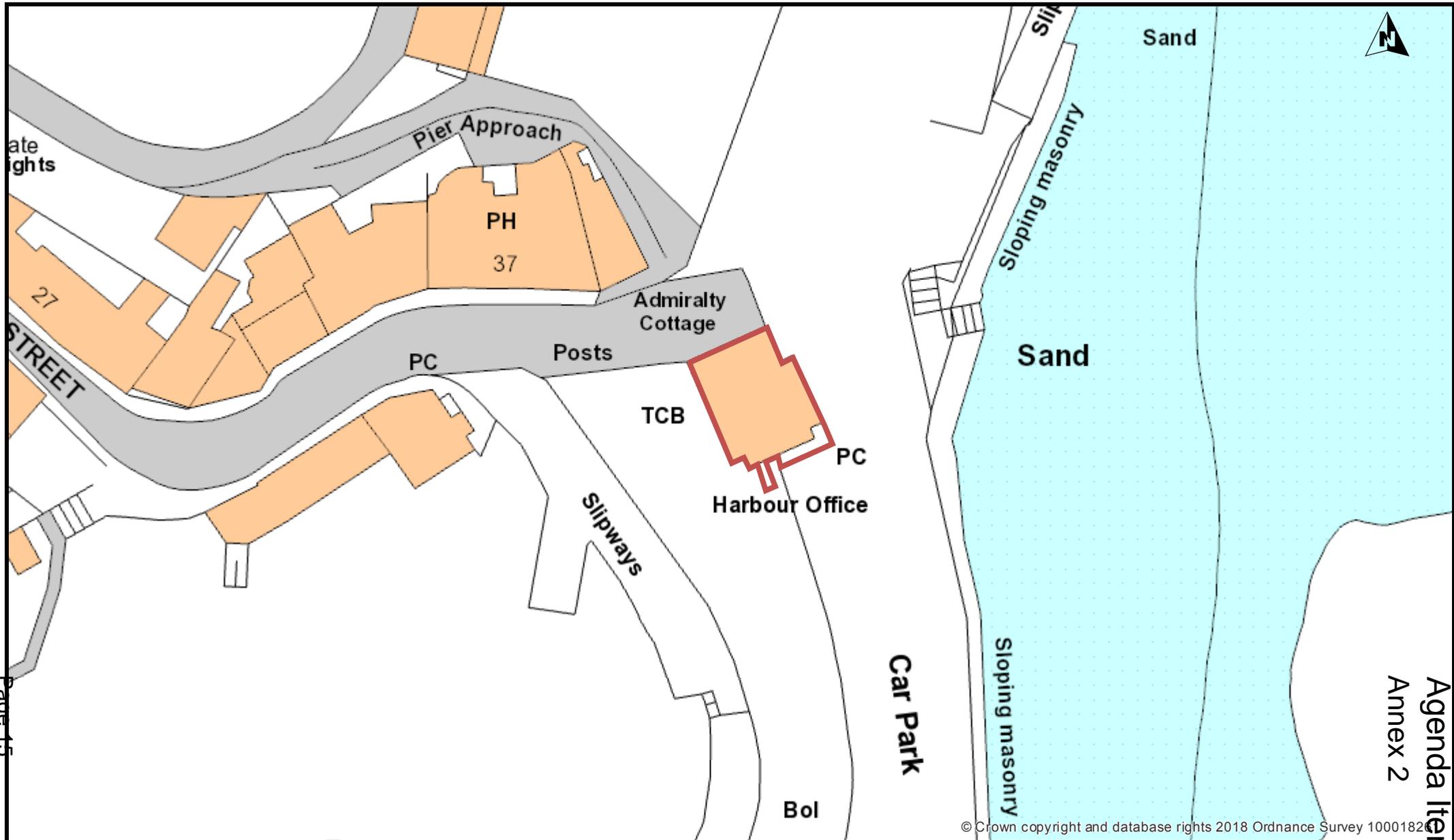
© Crown copyright and database rights 2018 Ordnance Survey 1000182

Title: Hartsdown Plot 1  
 Author: Thanet District Council  
 Scale 1:1,250  
 Date: 09/05/2018

Thanet District Council  
 Cecil Street  
 Margate  
 Kent  
 CT19 1XZ



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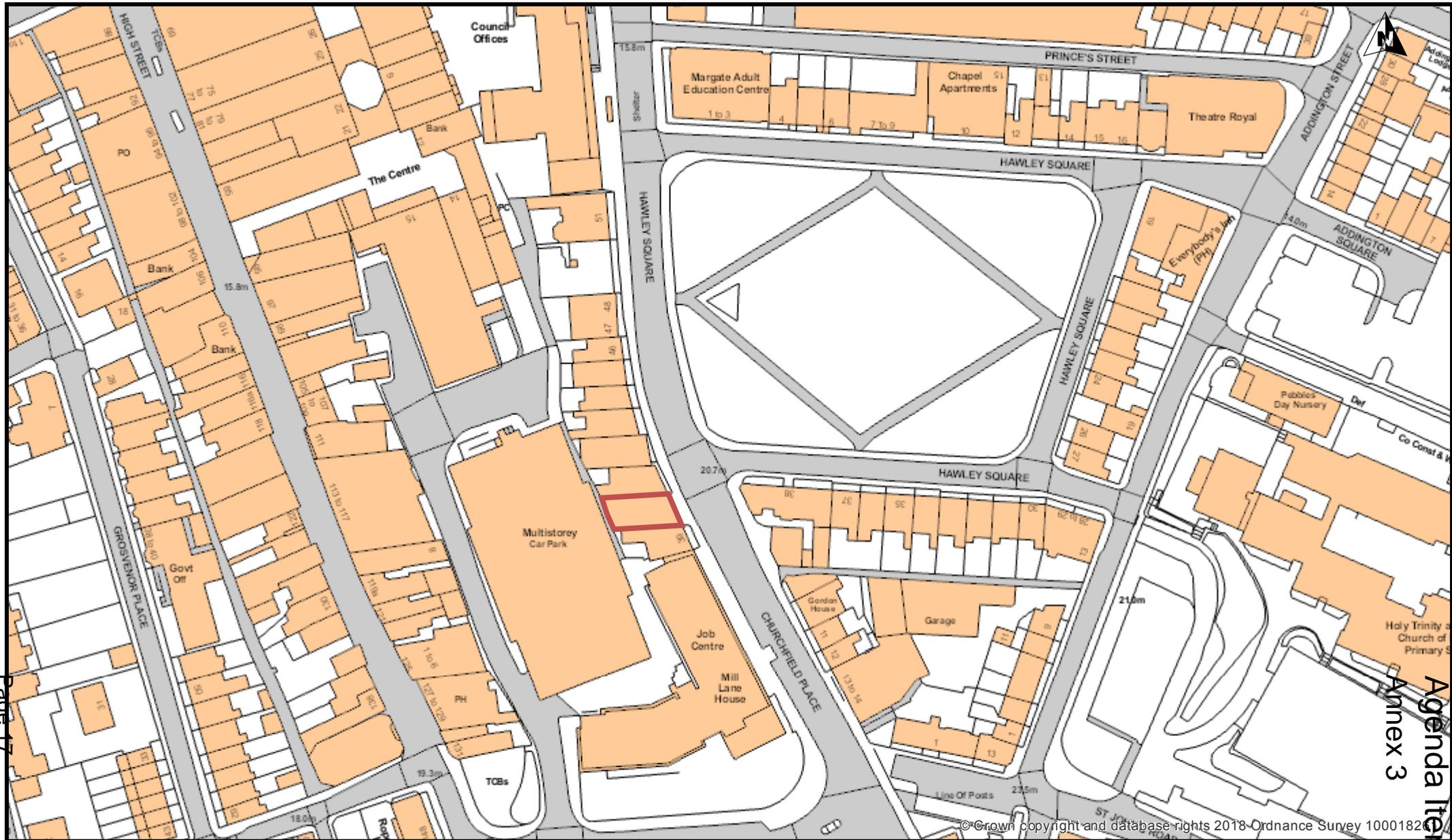


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 Author: Thanet District Council  
 Scale 1:500  
 Date: 09/05/2018

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 Margate  
 Kent  
 CT19 1XZ



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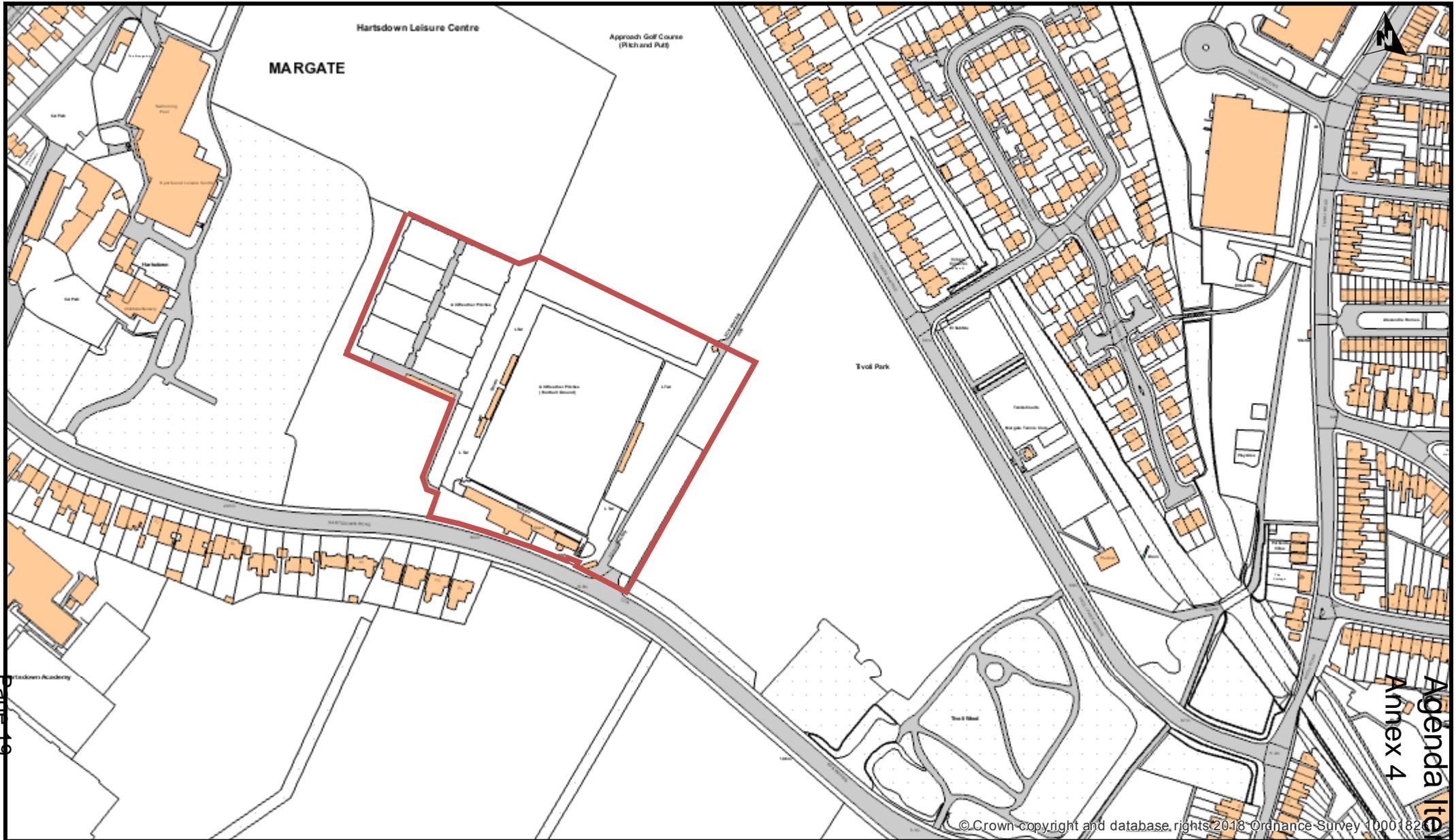
© Crown copyright and database rights 2018 Ordnance Survey 10001826

Title: 40 Hawley Sq  
 Author: Thanet District Council  
 Scale 1:1,250  
 Date: 10/05/2018

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 Cecil Street  
 Margate  
 Kent  
 CT19 1XZ



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Title: Hartsdown Land & Premises

Author: Thanet District Council

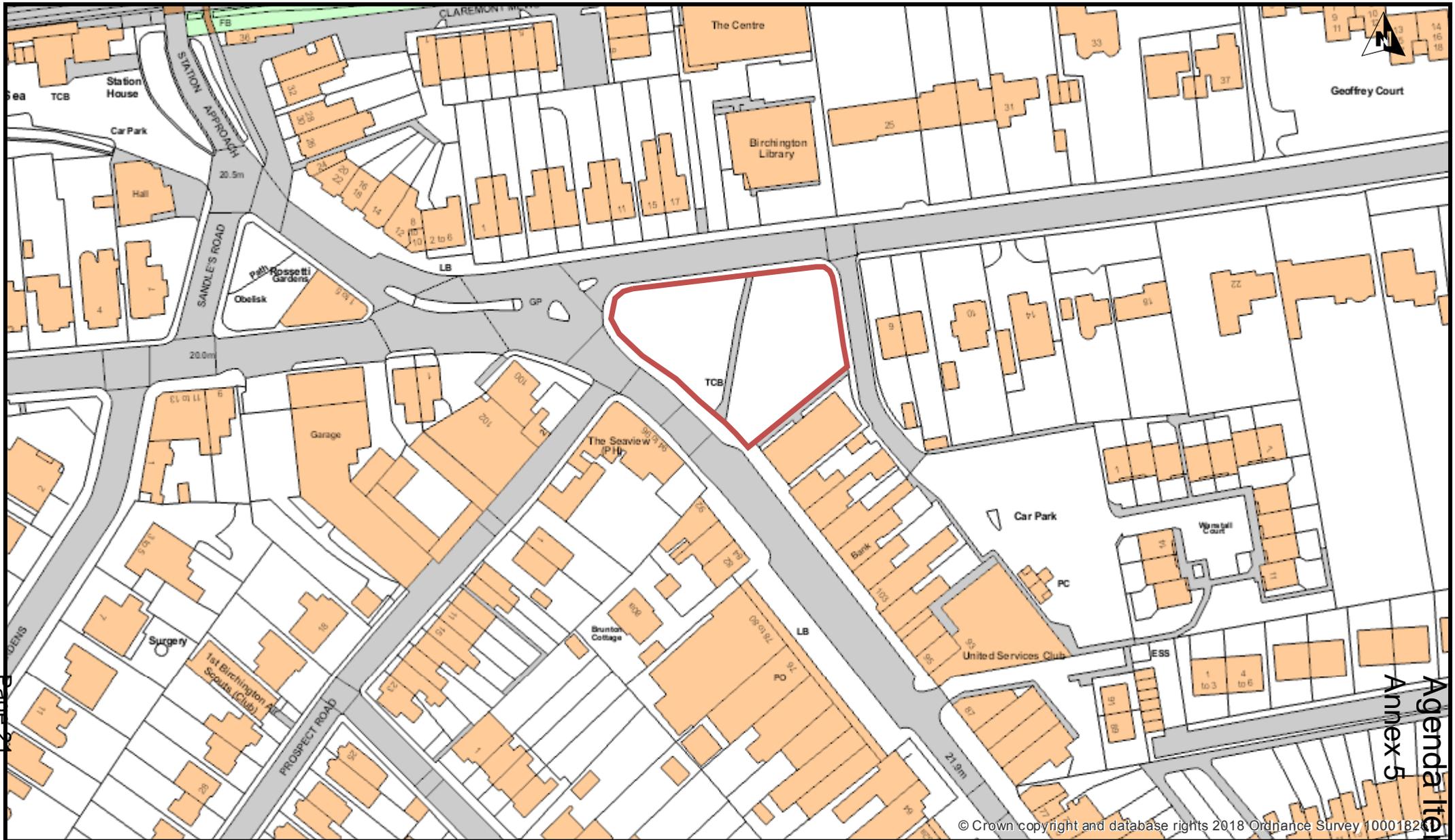
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Date: 09/05/2018

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Margate  
Kent  
CT19 1XZ



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Agenda Item 4  
Annex 5

Title: Alpha Road Land Birchington

Author: Thanet District Council

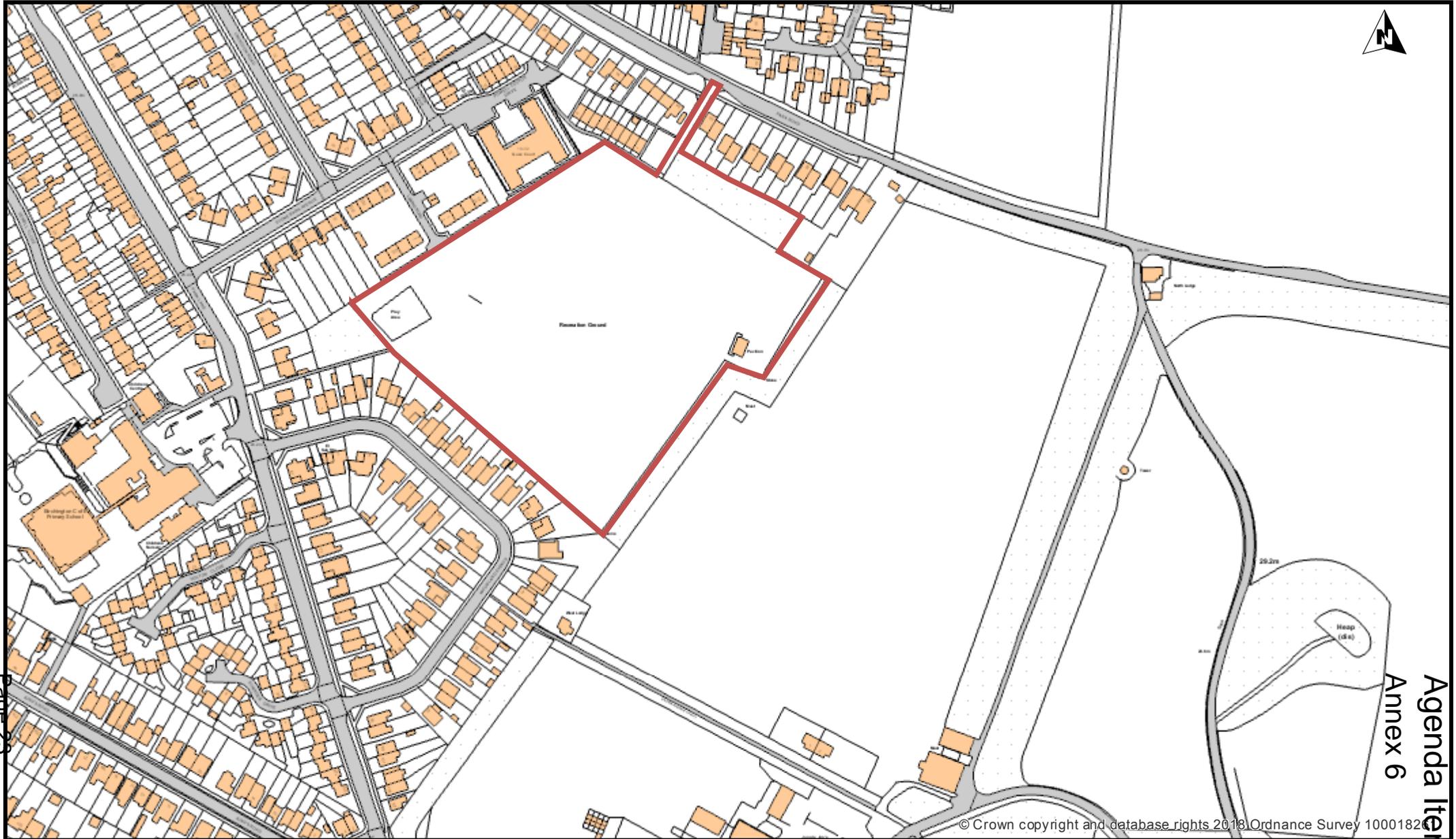
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Date: 01/05/2018

Thanet District Council  
Cecil Street  
Margate  
Kent  
CT19 1XZ



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Title: Birchington Memorial Ground

Author: Thanet District Council

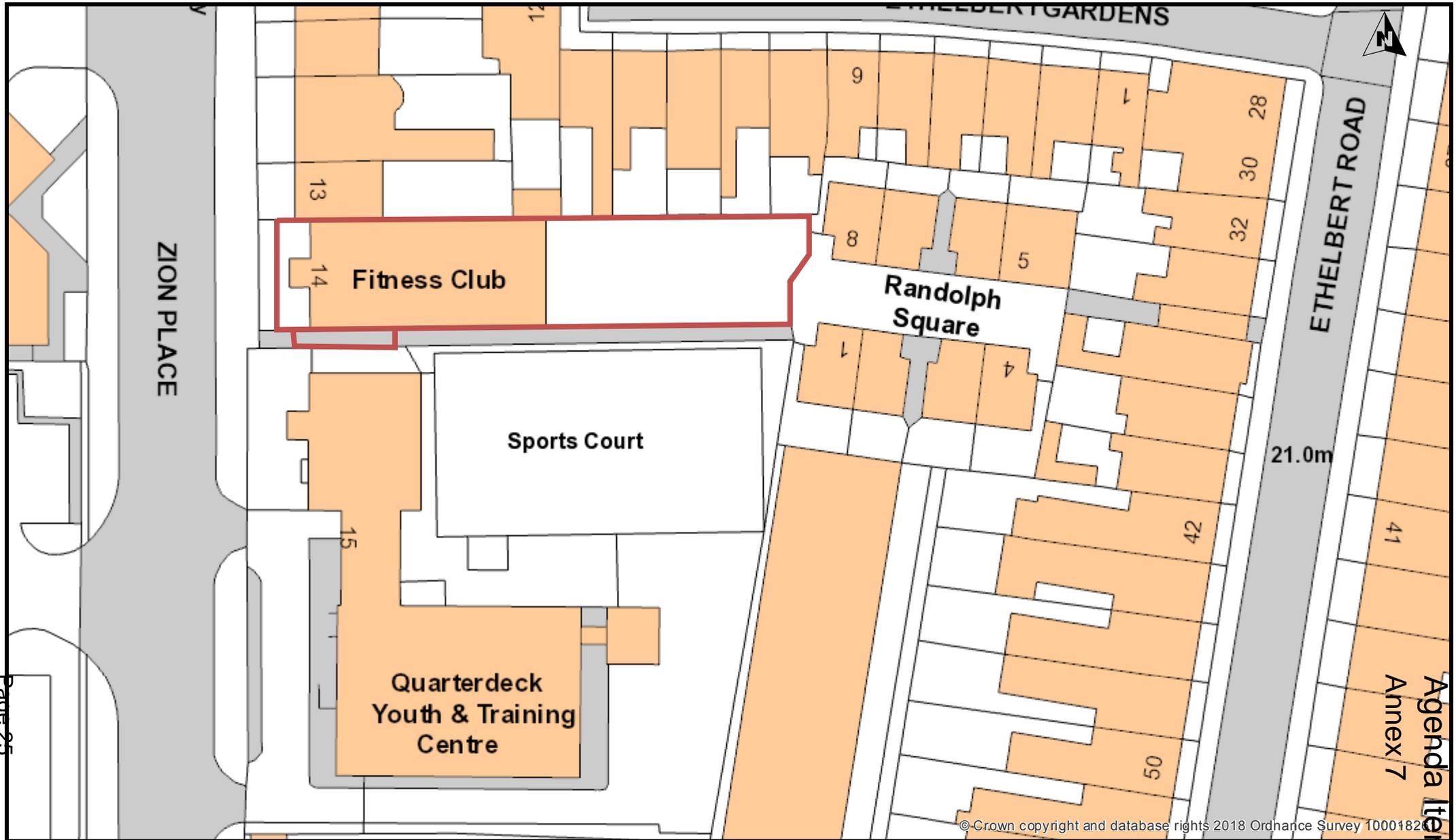
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Date: 01/05/2018

Thanet District Council  
Cecil Street  
Margate  
Kent  
CT19 1XZ



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Title: Zion Place fitness club  
Author: Thanet District Council  
Scale 1:500  
Date: 09/05/2018

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Cecil Street  
Margate  
Kent  
CT19 1XZ



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## THANET DISTRICT COUNCIL DECLARATION OF INTEREST FORM

### Do I have a Disclosable Pecuniary Interest and if so what action should I take?

Your Disclosable Pecuniary Interests (DPI) are those interests that are, or should be, listed on your Register of Interest Form.

If you are at a meeting and the subject relating to one of your DPIs is to be discussed, in so far as you are aware of the DPI, you **must** declare the existence **and** explain the nature of the DPI during the declarations of interest agenda item, at the commencement of the item under discussion, or when the interest has become apparent

Once you have declared that you have a DPI (unless you have been granted a dispensation by the Standards Committee or the Monitoring Officer, for which you will have applied to the Monitoring Officer prior to the meeting) you **must:-**

1. Not speak or vote on the matter;
2. Withdraw from the meeting room during the consideration of the matter;
3. Not seek to improperly influence the decision on the matter.

### Do I have a significant interest and if so what action should I take?

A significant interest is an interest (other than a DPI or an interest in an Authority Function) which:

1. Affects the financial position of yourself and/or an associated person; or Relates to the determination of your application for any approval, consent, licence, permission or registration made by, or on your behalf of, you and/or an associated person;
2. And which, in either case, a member of the public with knowledge of the relevant facts would reasonably regard as being so significant that it is likely to prejudice your judgment of the public interest.

An associated person is defined as:

- A family member or any other person with whom you have a close association, including your spouse, civil partner, or somebody with whom you are living as a husband or wife, or as if you are civil partners; or
- Any person or body who employs or has appointed such persons, any firm in which they are a partner, or any company of which they are directors; or
- Any person or body in whom such persons have a beneficial interest in a class of securities exceeding the nominal value of £25,000;
- Any body of which you are in a position of general control or management and to which you are appointed or nominated by the Authority; or
- any body in respect of which you are in a position of general control or management and which:
  - exercises functions of a public nature; or
  - is directed to charitable purposes; or
  - has as its principal purpose or one of its principal purposes the influence of public opinion or policy (including any political party or trade union)

An Authority Function is defined as: -

- Housing - where you are a tenant of the Council provided that those functions do not relate particularly to your tenancy or lease; or
- Any allowance, payment or indemnity given to members of the Council;
- Any ceremonial honour given to members of the Council
- Setting the Council Tax or a precept under the Local Government Finance Act 1992

If you are at a meeting and you think that you have a significant interest then you **must** declare the existence **and** nature of the significant interest at the commencement of the

matter, or when the interest has become apparent, or the declarations of interest agenda item.

Once you have declared that you have a significant interest (unless you have been granted a dispensation by the Standards Committee or the Monitoring Officer, for which you will have applied to the Monitoring Officer prior to the meeting) you **must**:-

1. Not speak or vote (unless the public have speaking rights, or you are present to make representations, answer questions or to give evidence relating to the business being discussed in which case you can speak only)
2. Withdraw from the meeting during consideration of the matter or immediately after speaking.
3. Not seek to improperly influence the decision.

### **Gifts, Benefits and Hospitality**

Councillors must declare at meetings any gift, benefit or hospitality with an estimated value (or cumulative value if a series of gifts etc.) of £25 or more. You **must**, at the commencement of the meeting or when the interest becomes apparent, disclose the existence and nature of the gift, benefit or hospitality, the identity of the donor and how the business under consideration relates to that person or body. However you can stay in the meeting unless it constitutes a significant interest, in which case it should be declared as outlined above.

### **What if I am unsure?**

If you are in any doubt, Members are strongly advised to seek advice from the Monitoring Officer or the Committee Services Manager well in advance of the meeting.

## **DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS, SIGNIFICANT INTERESTS AND GIFTS, BENEFITS AND HOSPITALITY**

MEETING.....

DATE..... AGENDA ITEM .....

DISCRETIONARY PECUNIARY INTEREST

SIGNIFICANT INTEREST

GIFTS, BENEFITS AND HOSPITALITY

THE NATURE OF THE INTEREST, GIFT, BENEFITS OR HOSPITALITY:

.....  
.....  
.....

NAME (PRINT): .....

SIGNATURE: .....

Please detach and hand this form to the Democratic Services Officer when you are asked to declare any interests.