

EXTRAORDINARY OVERVIEW & SCRUTINY PANEL

Minutes of the extraordinary meeting held on 15 August 2019 at 7.00 pm in Council Chamber, Council Offices, Cecil Street, Margate, Kent.

Present: Councillor Peter Campbell (Chairman); Councillors Parsons, Albon, Boyd, Coleman-Cooke, Keen, L Piper, Roper, Rusiecki, Scott, Tomlinson, Whitehead and Yates

In Attendance: Councillors: J Bayford, R Bayford, Duckworth, Farrance, Fellows, Gregory, Rawf, D Saunders, M Saunders, Shrubbs and Wright

181. APOLOGIES FOR ABSENCE

Apologies were received from the following Members:

Councillor Everitt, substituted by Councillor Keen;
Councillor Constantine, substituted by Councillor Yates.

182. DECLARATION OF INTERESTS

There were no declarations made at the meeting.

183. OVERVIEW & SCRUTINY PANEL CALL-IN OF CABINET DECISION - PROPOSAL FOR THE DISPOSAL OF THE DREAMLAND FREEHOLD

The following members of the public spoke under scrutiny procedure rules for public speaking:

Mr Dan Hind;
Mr David Collard;
Mr Steve Vilette.

Councillor Bayford, Leader of Council responded to the comments made and questions that were raised by the public speakers.

Councillor Duckworth and Councillor Rawf asked questions under Council Procedure Rule 20.1 and the Leader responded.

The Chairman reminded Members the purpose of the meeting that it was to consider the call-in of a Cabinet decision and that the grounds for call-in were that Members were seeking clarification from Cabinet on the following:

1. The need to identify the range of options considered; specifically this being the need for Cabinet to explain why they have taken the decision to dispose of the asset now, rather than retaining it.

Members then asked questions and made comments as follows:

- Agreement was needed from the funders to remove ongoing grant obligations. Did this mean that some of the grants would need to be paid back by the Council?
- Had TDC consider the packaging up of the site into separate entities as there had been interest in different parts of the park from Ace Cafe, Picturehouse, and Carters Steam Fair?

- Why was a restricted period of only 10 years given within the sale of the freehold for housing on the site, instead of no housing at all in line with the local plan policy for Dreamland?
- If a period had to be given, or not, for no housing on the site, TDC should, in the event of housing being granted in the future, require a percentage of the sales to be paid to TDC as part of the contract of sale, to ensure full value to the Council Tax payer;
- Can a claw back be included as it would not be an inducement but rather a disincentive to develop housing on the site?
- As part of the DCO, the Council made the argument that the site is not suitable for housing as it was contaminated land and was therefore only going to be for leisure use only. Had that view changed?
- What if any due diligence has been done on the owners and employees of SHL to see if they have a sufficient track record to own and successfully operate a theme park?
- The Head of Asset Management was due to leave TDC, were the Cabinet members confident that this was the right time to be making such a decision, and were they confident that TDC will have the expertise needed in-house during this process?
- Many residents would be concerned that the 10 year restriction was not long enough to reassure residents that the site would continue to be managed as a leisure facility. The decision needed to include the 25 year restriction on housing development.
- The Council made a brave decision to purchase the site. Local authorities did not have the money to invest and run amusement parks. TDC should not run the Dreamland as only a private investor was best suited to invest and manage such a facility;
- The proposed sale of the site was potentially the much needed inward investment into Thanet to safeguard the site. Council was changing the 99 year leasehold into freehold for the promise of the much needed investment as Thanet was competing with other districts for inward investment;
- Had Council sought barrister level advice, particularly on the Cichel Down Rules?
- What due diligence had been done to ensure that no one in, or associated with SHL/Arrowgrass/Margate Estates have shares in or are stakeholders with Savills?
- What were the plans that SHL held for the future viability of the site?

Responding to Member comments and questions Councillor Bayford made the following points:

- Grant claw-back had been a major consideration for the Council. The Council was in constant discussion with external funders and would like to achieve the sale without the need for a grant claw back and continue to have good relations with funders, particularly the National Heritage Lottery Fund;
- There had been viewing interest from a variety of parties of the site without any firm offers for the Cinema and Sunshine Café which were not in the original HSL lease. If the site was split into different interests the management of the estate would become complex with significant estate management challenges. It should also be noted that there was a logic to keeping the site as one as this was also in the original CPO intentions;
- The inclusion of the 10 year restriction on housing development was to shut off any immediate ambition for such development. this clause was meant to strengthen the position taken by Council on this matter;
- Including a suggestion of sharing the proceeds of sale from future housing development would appear to imply that the Council was amenable to housing

- development on the site. In the light of the Panel discussions, Cabinet could look into whether this clause should be taken out of the proposed agreement;
- Cabinet would be looking at the various options of strengthening the agreement to secure the council's interests. The August Cabinet decision was an initial position that would go through a negotiation with HSL;
 - In the Local Plan the Dreamland site was not considered a development site;
 - Arrowgrass was a hedge fund that unlikely to have run an amusement park before. However they had appointed senior staff with the requisite experience and HSL had successfully operated the park since 2015.
 - Whilst it was not appropriate to comment on staff matters, it was worth noting that the Council had with the current staff the skills required to go through the sale negotiations;
 - Various political groups have been in support of the revival of the Dreamland site as an amusement park.
 - Council had taken advice on Crichel Down Rules and that an exemption would be available to support the sale of the Dreamland. The ambition was to get more than the market value out of this sale. Council had received valuation advice from one of the most respected valuers in the market;
 - A professional valuer from Savills could not conduct a valuation on this site they had a pecuniary interest in Arrowgrass/MEL or SHL;
 - Council had general discussions with HSL on potential further investment. However it was not appropriate to comment in a public meeting on specific commercial matters pertaining to a third party;
 - The process had been on-going for about ten months during which time Cabinet sought external legal advice and would continue to do so during the process of the sale;
 - Council had to get approval for the sale of the site from the National Heritage Lottery Fund before the agreement was achieved. This would ensure that the heritage aspect of the site would be secured;
 - The August Cabinet report indicated that the agreement was subject to agreement with the external funders regarding on-going obligations, including maintaining the heritage aspect of the site.

Councillor Yates proposed, Councillor Whitehead seconded and the Panel agreed to forward to Cabinet the following recommendation:

1. That Cabinet seeks three independent valuations for the Dreamland site before an agreement is reached with a buyer.

Councillor Yates proposed, Councillor Lynda Piper seconded and Members agreed to recommend to Cabinet the following:

2. Cabinet requests an 18 year housing development restriction in the agreement instead of the proposed 10 years.

Councillor Albon proposed and Councillor Rusiecki seconded that Council added in the agreement a percentage claw back for Council on the sale of any future housing development on the site.

When put to the vote the proposal was not approved.

Councillor Boyd proposed and Councillor Scott seconded that Cabinet consider excluding the sale of the Dreamland car park from the sale of the freehold for the site.

When put to the vote the proposal was not approved.

Meeting concluded: 7.55 pm