
Ramsgate Beach Club

To: **Extraordinary Cabinet – 19 February, 2015**

Main Portfolio Area: **Strategic Economic Development Services**

By: **Cllr D Green, Cabinet Member for Strategic Economic Development Services**

Classification: **Unrestricted**

Ward: **Ramsgate**

Summary: To seek the agreement of Cabinet to go to the market place to identify an organisation to develop a beach club on Ramsgate Main Sands.

For Decision

1.0 Introduction and Background

- 1.1.1 A key priority theme of the Destination Management Plan (DMP) was Beach Management and Development, from this came he now adopted Beach Management Plan (BMP). The aim of the BMP is to review the beaches and develop a strategic approach to improving the coastal areas.
- 1.1.2 One of the areas identified in the BMP was the old marina site (annex 1) identified as potential to be developed into a beach club offer. The aim is that the club would promote use of the beach and water sports on Ramsgate's main beach and encourage more people from the Town onto the beach and along the coastline. Any proposed development would need to ensure that access for the public remains available along the whole of the beach front.
- 1.2 Beach clubs are emerging as a new lifestyle concept in many coastal resorts throughout Europe. They blend the ever increasing need for health and well-being with outdoor activities providing services and facilities for club members, visitors and local community.
- 1.3 To get a greater understanding of the viability of a beach club offer, funding was accessed through an Interreg project managed by Visit Kent and via the DMP reserves and a feasibility report was procured to investigate this further.
- 1.4 The consultants were requested to review the strategic position – both the site and the concept, consult with stakeholders in the area, complete an audit of activities that take place around the district and review good practice. This was then used to identify the strengths and weaknesses for the club on the chosen site and develop a cash flow to test the feasibility and proposed designs.

2.0 The Current Situation

- 2.1 The old marina site comprises of a car park which is rarely used. The site has some access/egress loading limitations but these are not considered a hindrance to a reasonable sized development. The site already has a qualified decision to dispose dated 5 August, 2010; however it is considered that it is too remote and therefore a new decision is required by Cabinet on whether to take the site forward.
- 2.2 The National Planning Policy Framework identifies that the purpose of the planning system is to contribute to the achievement of sustainable development. The old marina site has a number of potential uses, all subject to planning permission, but the council has identified a requirement that any scheme should contribute to the economic, social and environmental considerations of the area.
- 2.3 The existing Local Plan identifies the site in the Ramsgate Waterfront Policy Area – EC8, which is supportive of developments that are of a leisure and tourism nature. The following planning policies are also relevant to the beach club proposal: Policy T1 – Tourism facilities, SR! – New Sports Facilities; and CF1 – Community Facilities.
- 2.4 The strategic review of this site has identified it as having potential to contribute to sustainable development by ensuring the use contributes to an active lifestyle, creating leisure opportunities and by doing this the aims to increase footfall along the coast to this area of Ramsgate. Increasing footfall will benefit the local businesses and support economic regeneration of the area.
- 2.5 The feasibility tested a number of scenarios to identify the amount of commercial space that would be required to ensure the viability of a Beach Club on this site. The idea is that a club will include café, bar and restaurant areas that could service both passing trade and specific events. Non-beach sports, such as a climbing wall and events space could be available on the site.
- 2.6 Thanet has a shortfall of family/self-catering accommodation in the district and there is a demand by people to stay close to the beach. The premises would also accommodate some visitor self-catering type accommodation. A mix is required to attract investment and support the on-going viability for the scheme. At present there is no capital funding to seed finance the scheme so it is important that any offering is significantly enough to attract commercial funding streams.
- 2.7 The Local Government Act 1972 section 123 & 127 provides that except with the consent of the Secretary of State, land shall not be disposed of under this section, otherwise than by way of a short tenancy (ie term of 7 years or less), for a consideration less than the best that can reasonably be obtained. It is recognised that the models in the feasibility will require a long leasehold and that the club may not represent best financial value for the site.
- 2.8 However, the Local Government Act 1972: General Disposal Consent (England) 2003 does enable the Council some concession for reasons of social, economic and or environmental purposes to accept an undervalue, subject to due process.
- 2.9 The feasibility has confirmed there is potential for the site to accommodate a beach club offering and the council would like to progress the site forward to the market advertising this opportunity by offering the site on a long leasehold supported by a service concession. This is the only certain way to ascertain whether there is appetite in the market to fund the capital works required for this output.

- 2.10 Following the procurement process, if there is a scheme that is in principle acceptable to the council then a valuation of the site will be undertaken to advise Cabinet if there is any shortfall in financial consideration as a result of the scheme, so that Cabinet may make a decision as to whether to proceed.

3.0 Options

- 3.1 Option 1 - retain the site as a car park. The existing car park does not get used and therefore doesn't raise much income for the council; however the council still retains the repairing liabilities.
- 3.2 Option 2 – sell the freehold of the site and let the market determine the use which will be subject to planning permission. However, whilst this would generate a capital receipt this will not necessarily meet the council's strategic plans for the area.
- 3.3 Option 3 – the council could use the feasibility study and designs developed by the consultants and bid for money to develop the Beach Club as a council project and place a management company on site. However, the council's resources in terms of fund raising, match funding and capital development are limited and it is proposed that this would place a large financial and resources risk on the council, potentially making the development undeliverable in the short-medium term.
- 3.4 Option 4 – allow officers to go through the council's process of Asset Disposal to put the site out to the market for the purposes of a beach club supported by holiday let accommodation, advertised on a long leasehold, supplemented by a service concession, to encourage the market to come forward with an acceptable scheme. This process will follow the council's asset disposal process and procurement policy.

4.0 Corporate Implications

4.1 Financial and VAT

- 4.1.1 A financial and VAT review of the preferred option would need to be undertaken and reported as part of the Cabinet paper brought back for decision referred to in paragraph 5.1.1.

4.2 Legal

- 4.2.1 Provided that the disposal of these assets is dealt with through the agreed process there are no residual legal issues.

4.3 Corporate

- 4.3.1 This report has been prepared with reference to the Adopted Disposal Process approved by Cabinet on the 19 November, 2014 and the Asset Disposal Paper also submitted to Cabinet on 20 January, 2015.
- 4.3.2 The medium term financial plan documents the continuing financial constraints that the Council has over the next four years. The Council needs to reduce the corporate portfolio if it is to achieve the financial targets in the financial plan and by reducing the liabilities it will put less pressure on the Council to raise income and pass on cost increases for service provision.

4.4 Equity and Equalities

- 4.4.1 The council's equality duty has been assessed in relation to the elements of this report, but it is not considered that these will compromise the rights and requirements of any group in relation to the adoption of the recommendation.
- 4.4.2 In taking this site out to the market place for the provision of a long leasehold the Council will allow all relevant and interested parties to bid for the site through an open Asset Disposal Process.

5.0 Recommendations

- 5.1 That Cabinet agrees to Option 4 to progress this site through the council's process of Asset Disposal and Procurement Policy to put the site out to the market, on a long leasehold, supplemented by a service concession to procure a viable beach club leisure facility supported by tourism holiday accommodation.
- 5.1.1 That following completion of a thorough procurement process, an assessment of the opportunities is made in consultation with the Cabinet Member of the Strategic Economic Development Services with the preferred option being brought back to Cabinet for decision.
- 5.2 That the preferred option will be supported by a comparative valuation to support due process under the terms of the Local Government Act 1972. If there is an undervalue Cabinet will be asked to make a decision on whether to proceed with the preferred option.

6.0 Decision Making Process

- 6.1 This is a key decision which can be taken by Cabinet.

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Reporting to:	Ged Lucas, Interim Community Services Director

Annex List

Annex 1	Plan showing the site
Annex 2	Proposed visuals from the consultants of what the site could look like for a similar Beach Club development
Annex 3	Executive Summary of Feasibility Report

Corporate Consultation Undertaken

Finance	Nikki Walker, Finance Manager (HRA and Capital)
Legal	Steven Boyle, Legal Services Manager and Monitoring Officer