

Cabinet Response to the Petition on the Budget

Cabinet	25 July 2019
Report Author	Chris Blundell, Head of Financial Services
Portfolio Holder	Cllr D. Saunders, Cabinet Member for Financial Services & Estates
Status	For Decision
Classification:	Unrestricted
Key Decision	No
Ward:	District Wide

Executive Summary:

Petition Prayer Guide

We the residents of Thanet don't think it's appropriate for the Council to spend council taxpayers money on the council offices, not the £3 million planned, not when services are being cut. This money could be better spent.

The second issue is the continued selling off of our assets for short-term gain. Would it not be better looking at using some of these assets for community assets run by the community and in the long run save the Council money. Also letting community land trust turn some into social housing which is desperately needed.

Recommendation(s):

The concerns are noted however the provisions in the budget report remain valid.

CORPORATE IMPLICATIONS

Financial and Value for Money	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.
Legal	
Corporate	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 the asset approved for disposal have been identified as underperforming for the Council.
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

	<p>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, sex, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.</p>								
	<table border="1"> <tr> <td colspan="2">Please indicate which aim is relevant to the report.</td> </tr> <tr> <td>Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,</td> <td></td> </tr> <tr> <td>Advance equality of opportunity between people who share a protected characteristic and people who do not share it</td> <td>X</td> </tr> <tr> <td>Foster good relations between people who share a protected characteristic and people who do not share it.</td> <td></td> </tr> </table>	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.	
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	<p>Investment in retained operational property is a requirement of the Equality Duty where it improves accessibility for visitors and inclusive working practices.</p>								

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

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

1.0 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. Additionally, the Medium Term Financial Strategy (MTFS) requires secure income and capital receipts.
- 1.2 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.
- 1.3 It is also necessary to ensure that the operational portfolio, including but not limited to the office accommodation, is maintained to a level that continues to be reasonable and inclusive, enabling visitors and staff to access and circulate within the buildings.
- 1.4 This report considers the petition prayer received and outlined in the executive summary above.

2.0 The Current Situation

- 2.1 A £3m provision was included in the 2019/20 capital programme to ensure the Council's office accommodation remains suitable for use and as cost effective as possible. The capital expenditure covers the acquisition or enhancement of the council's assets, as opposed to revenue expenditure which relates to day-to-day service expenditure, for example officer salaries or repairs and maintenance.
- 2.2 There are a number of restrictions in the way in which both the revenue and capital budgets can be and are financed. Fundamentally, the council is not allowed to use borrowing or the proceeds from asset sales (capital receipts) to fund its on-going revenue budgets. As such these sources of income are only available to fund the capital programme.
- 2.3 The 2019/20 capital programme approved by Council in February 2019, determined that any investment in the Council's office accommodation would be funded from the proceeds from past asset sales.
- 2.4 Therefore, these proceeds could not have been used in the 2019/20 revenue budget and as such monies could not have been used to offset or reduce the savings required, including service reductions, in order to balance the revenue budget.
- 2.5 The inclusion of the £3million provisional sum for operational property was to highlight the requirement to address some of the problems with the Margate Office including the Council Chamber, which is a publicly used space. The office, including the Gateway, does require investment to make it more accessible to members of the public and with the original roof, heating and wiring systems, lifts etc, it is necessary to consider options. These include:-
- * What is required to be spent on the existing property to bring it up to a reasonable standard for the medium term?
 - * Are there alternative options, and if so what are they?
 - * Do any of the alternative options provide better value for money in the medium term?

Further information is being collated to review all of the above options.

- 2.6 The progression of assets identified as surplus and therefore recommended for disposal for a capital receipt and/or community asset transfer is not led by the drive to achieve short term capital gain, but an understanding that property holdings cost money to keep and maintain and with reduced government funding, there is a requirement to reduce the size of the portfolio.
- 2.7 In terms of the assets the council holds there are many retained for various purposes including:-
- * Provision of amenity space, beaches, parks and playgrounds for neighbourhoods.
 - * Community Halls operated by community groups.

- * Social clubs such as bowls and tennis clubs to support social groups.
- * Sports and Leisure facilities to promote health and wellbeing.
- * Operational assets used to accommodate services which are required to deliver local authority functions across the District.
- * Investment property held to earn an income required to support service provision and achieve a balanced budget.

2.7 The Asset Management Plan 2017 - 2021 acknowledges the requirement for a strategic continuous review of the portfolio which includes identifying assets that are no longer providing a good return for the council. For the investment portfolio the return is a financial based decision but for property held for social reasons community considerations are the priority.

2.8 Assets held on the community portfolio are reviewed in line with the Community Asset Transfer Policy adopted in January 2018. The commitment to transfer assets for community use has resulted in successful transfers and there are more opportunities in the pipeline, see below.

Property transferred in 2017 - 2018 for Community Use:-

- * Pierremont Hall, Broadstairs;
- * Retort House, Broadstairs;
- * Charlotte Court, Ramsgate;
- * Forresters Hall, Ramsgate;
- * Shelters, Birchington.

Property approved by Cabinet to be progressed for transfer during 2019:-

- * The Ice House, Ramsgate;
- * Museums, Margate and Broadstairs;
- * Sports Pavilions, Margate;
- * Amenity Land, Birchington, Ramsgate and Margate;
- * Shelter, Margate;
- * Land and toilets, Minster.

2.9 The transfer of the above assets will ensure they are retained for community use.

Contact Officer:	Chris Blundell, Head of Financial Services
Reporting to:	Tim Willis, Deputy Chief Executive

Background Papers

Title	Details of where to access copy
Strategic Asset Management Plan 2017 - 2021	https://www.thanet.gov.uk/services/land-and-assets
Community Asset Transfer 2018 - 2021	https://www.thanet.gov.uk/services/land-and-assets/

Budget 2019 - 2020	https://democracy.thanet.gov.uk/documents/s62693/Budget%202019-20%20report.pdf
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Corporate Consultation

Finance	Chris Blundell, Head of Financial Services
Legal	Sophia Nartey, Interim Head of Legal Services