

Asset Management - Surplus Property and Land

Cabinet	16 December 2019
Report Author	Tim Howes, Director of Corporate Governance and Monitoring Officer
Portfolio Holder	Cllr Rob Yates, Portfolio Holder (Finance and Estates)
Status	For Decision
Classification:	Unrestricted
Key Decision	No
Ward:	All

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 as listed in Annex 1 (indicative plans in Annex 3)
- (2) To progress the following property and land through the community asset transfer framework as listed in Annex 2 (indicative plans in Annex 3)

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. The disposal of assets listed in this report will not only generate capital receipts but will also reduce ongoing
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	maintenance costs and reduce the risk of incurring future capital expenditure.								
Legal	No Legal Implications								
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 these assets have been identified as underperforming for the Council.								
Equality Act 2010 & Public Sector Equality Duty	<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 & 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> <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.									

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

CORPORATE VALUES (tick those relevant) ✓	
Delivering value for money	✓
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**

2.1.1 **Westbrook Loggia, Margate**

A two-storey building of mixed leisure use, part vacant and part let as a cafe/ shop under a secure business tenancy. Other parts let out to Thanet Lifeguards. Small unit on the ground floor forms part of bay inspectors office and part used as public toilets. Land identified adjacent to site as suitable alternative for new toilet provision.

The building is in very poor condition requiring an estimated £700,000 to be spent over a term of five years to maintain and prevent further deterioration of the building.

Rental received per annum of £9,900, however the lease has expired and therefore the income is not certain. All income is received on terms which mean that the Council retains the liability for the majority of repairs and maintenance as well as Capital works.

It is recommended that property is disposed of on the open market with tenants in situ. The disposal of the site would yield a capital receipt for the council, reduce maintenance costs and liability and provide opportunities for external investment in the site to promote economic development.

A clause will be included whereas the purchaser, in addition to the purchase price, will also build a new modern public toilet facility in accordance to TDC's specification and exact location.

2.1.2 **Land between Montefiore Lodge & The Old Stable Block, King George VI Park, Ramsgate**

The land provides access to the Lodge and the Old Stable Block. The lodge and Stable Block are not in the ownership of TDC, but TDC has maintenance and liability issues for the land and derives no benefit from it. One property in TDC ownership has a right of pedestrian access over the land. This right would be retained on disposal.

Disposal is recommended in accordance with the adopted disposal framework. Disposal of the site would yield a financial receipt and extinguish maintenance liability for the authority. Transfer of the site will enable the purchaser to improve the security of the Lodge and the Old Stable Block.

2.1.3 **Marina Rd Car Park, Ramsgate**

Large size car park located at the far end of Eastern Esplanade and lacking proximity to any local amenities, this car park does not receive any significant use and is often taken over by the traveling community and camper vans parked diagonally across the bays rendering the car park unusable by the general public.

The car park is large in size but is the second lowest earning car park Thanet. For the year 2018 - 2019 the car park only generated £10,042 in ticket sales. This site incurs significant costs in enforcement and maintenance, requiring approximately £2,000 per year in maintenance for the pay and display machine. TDC is also responsible for £1,215 p.a. on business rates for this car park.

This site is surplus to the general fund, it is recommended that this property is disposed of through the disposal framework at full market value as well as exploring leisure use options for the site towards income generation opportunities.

2.1.4 **Italianate Greenhouse, King George VI Park, Ramsgate**

Grade II listed building approximately 200 years old accessed from Montefiore Avenue. The upper part of the structure comprises cast iron ribs with copper glazing bars rising from a York stone plinth. It is supported mid span on central cast iron columns with a beam between. The glazing is curved and overlapped and consists of approx 3,170 panes of glass. The Greenhouse was renovated in 2006 with a £30,000 grant from English Heritage with the works costing £122,154.

The property has been leased on a peppercorn rent for a 20 year term. Under the current lease the occupier is responsible for the maintenance of the property but the insurance liability is with Thanet District Council.

It is recommended to dispose of the property via the disposal framework, first refusal being offered to the current occupier of the premises. Special condition of sale - the glasshouse to be kept for public use in perpetuity.

2.1.5 **Rifle Club, King George VI Park, Ramsgate**

Rectangular piece of land used as rifle range. The club that lease the space have erected timber buildings.

This is a high maintenance area with shrubs which the club control and clear under the terms of their agreement but Thanet District Council is responsible for the pruning, treating and general upkeep of the trees and roots within the premises as well as on the boundary. Agreement is due to expire 2035.

The annual rent generated by this lease is £430. It is recommended that the property is disposed through the disposal framework. First refusal given to the Rifle Club.

2.1.6 **Foreness Bay Cafe, Margate**

Beach fronting cafe owned by the Trustees of Foreness Waterski Club. The former clubhouse burned down in 2009 following vandalism and an arson attack. The Trustees built the current premisses themselves in 2010 paying a ground rent for the premisses of £275 per annum.

The club have been looking after the area actively trying to prevent further vandalism , by fitting CCTV systems and having a regular presence on site. They also host several boating days during the summer season and provide a tractor launching and recovery service at the slipway. Several social events are also being held at the club house enhancing the community.

Disposal of the freehold of the land is recommended with first refusal offered to the Trustees of Foreness Waterski Club.

2.1.7 **Harold Road Car Park, Margate**

Operating level surfaced car park with pay and display machine and annex. There are various keep clear areas, which access the back of neighbouring properties. Some of the access areas have got permission and hold a valid license as opposed to several other ones that do not hold permission, but have installed gates to gain access via the car park. Parking revenue generated for the entire car park is only £5000 per year.

This site costs £3,682 in business rates per year. The car park is often reported to have antisocial behaviour, fly tipping and vandalism, contributing to the large maintenance changes associated with this site.

It is recommended to sell for market value by public marketing process through estates department. The advertising of the site will be emphasizing the fact that the site is located within a conservation area therefore planning limitations apply.

2.1.8 **Sacketts Gap Garage, Margate**

Garage in poor condition after suffering continuous vandalism and arson in recent years. Let out historically but vacant for the past couple of years. Due to its poor condition no further interested tenants have been found.

The structure requires significant repair works. No income generated.

It is recommended that this property is disposed of on the open market through the disposal framework.

2.1.9 **Ethelbert Putting Green, Margate**

Former crazy golf site that has been left derelict for several years. This site costs £1,334 per year in business rates. Non operational premises this has been identified as surplus to requirements and is recommended that this is to be disposed of on the open market. Restrictive covenant to be put in place to safeguard the landscape character of the area. The advertising of the site will highlight that the site will not be for development.

2.1.10 **Western Undercliff Former Lift, Ramsgate**

This is a Grade II* listed Lift from the Westcliff Promenade leading down to Military Road. Now in poor condition, suffering with graffiti and vandalism. It is recommended for disposal by public auction.

2.1.11 **Walpole Bay Former Lift, Ramsgate**

Former public lift with machine room in the cliff. Built circa 1920 grade II listed, is now in poor condition, suffering with graffiti and vandalism. It is recommended for disposal by public auction.

2.2 **Community property**

As documented in the Community Asset Transfer Policy the Council evaluate assets that have a use that benefits neighbourhoods and promotes social aims. Land and property identified by the Council as appropriate for community asset transfer (with adequate restrictions to ensure they remain in community use) are:

2.2.1 **Newington Community Centre, Ramsgate**

Purpose built Community Hall built circa 1975. The centre has been run by Newington Community Association since 2007. The area has been identified as suitable for transfer to Newington Community Association or another qualifying community organisation using our Community Asset Transfer policy and process, ensuring that these remain for public use.

2.2.2 **Broadstairs and St Peters Bowls Club, Broadstairs**

This land accessed via Lawn Road has been identified as potentially suitable for community and social use. Currently let out to the Trustees of Broadstairs and St Peters Bowls Club. The trustees have been keeping the sites in good order and have plans to improve and develop the Pavilion. It is recommended to progress the site to transfer to Broadstairs and St Peters Bowls Club or another qualifying community organisation using our Community Asset Transfer policy and process, ensuring that these remain for public use.

Note that community asset transfers are not a transfer at nil value, however market value will be restricted by the community use.

All transfers will be subject to the transferee paying Thanet Council reasonable legal and surveying costs.

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 repairs 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 Services

Annex List

Annex 1	List of property and land for disposal through the approved framework
Annex 2	List of property and land for community asset transfer
Annex 3	Plans showing land and property (indicative and not to scale)

Background Papers

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

Corporate Consultation

Finance	Matt Sanham, Financial Services Manager
Legal	Estelle Culligan, Head of Legal and Democratic Services