

Asset Management - Old Town Hall

Cabinet	28 April 2022
Report Author	Stuart Longbottom, Interim Director of Property and Asset Management
Portfolio Holder	Cllr-David Saunders, Cabinet Member for Finance and Cllr-Reece Pugh, Deputy Leader & Cabinet Member for Economic Development
Status	For Decision
Classification:	Unrestricted
Key Decision	No
Ward:	Margate Central

Executive Summary:

The Council's Corporate Statement for 2019-2023 sets out the direction of travel for the coming years. The assets identified below represent ageing property that require repair and capital investment but, should this be completed, it will not improve the return on income, or fulfil any operational requirements.

Cabinet is asked to consider the assets and make a decision on the recommended way forward.

Recommendation(s):

1. To let the property via a commercial lease, option 1 below;
2. To give delegated authority to the Director of Property, in consultation with the Principal Surveyor to market the premises and negotiate Heads of Terms for a lease and;
3. Give delegated authority to the Director of Law and Democracy to sign all documents necessary to give effect to the disposal.

Corporate Implications

Financial and Value for Money

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.

The leasing of the asset listed in this report will not only generate revenue but will also reduce ongoing maintenance costs and reduce the risk of incurring future capital expenditure.

Legal

A letting via a formal lease will involve the advertising of the property in line with appropriate regulations and the award of a lease agreement to a new tenant. Otherwise, the proposal has no legal implications.

Corporate

The Council's Corporate Statement sets out its commitment to 'Maximise the return on our assets and services'. This recommendation will be supporting the Council's Corporate Statement for 2018 -2023.

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 not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.

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.

This report relates to the following aim of the equality duty: -

- *To foster good relations between people who share a protected characteristic and people who do not share it.*

The freehold sales will have no impact under the Equality Act 2010 and Public Sector Equality Duty. Transfers to benefit the community will support our commitment under these acts to continue to provide inclusive community facilities.

Corporate Priorities

This report relates to the following corporate priorities: -

- *Growth*

1.0 Introduction and Background

- 1.1 Thanet Council is committed to an asset management strategy to review and renew underperforming land and property in order to achieve its corporate aims.

- 1.3 The property and land below have been fully appraised and are considered suitable for letting via commercial lease.

2.0 The Current Situation

2.1 Old Town Hall, Market Place, Margate, CT9 1XZ

- 2.2 The building is a two story structure with a balustraded parapet and sashes with pediments above. A Victorian cast iron bus shelter is attached to the ground floor of the building. This shelter has been used as a tea stall in recent years. The courtroom's interior features some fine C18 overmantels salvaged from demolished buildings. The building is Grade II listed and is not DDA compliant.
- 2.3 The building is now unoccupied and so is not heated or ventilated. There are a number of health and safety concerns that will need to be addressed if the building is kept untenanted:
- Urgent roof repairs are required and some internal ceilings have fallen
 - The electricity supply is in poor condition
 - Fire system needs review with conservation and preservation concerns addressed alongside fire regulations
 - The heating system needs review
 - Updated Asbestos Survey and any remedial works as recommended
 - Other conditions/repairs unknown
- 2.4 In addition to the necessary repairs, the building costs TDC approximately £13,500 per year in rates, utilities, maintenance and insurance.
- 2.5 Margate Old Town Hall is linked to Margate Museum by a bridge at first floor level. The bridge does not serve any real purpose in line with current access and building regulations guidelines and so will be refurbished and let with the Old Town Hall premises.
- 2.6 The 5,200 square foot accommodation has been adapted over many years for various uses and provides exceptional space for a variety of uses.
- 2.7 Market Place has become a hive of activity in recent years, with regeneration attracting new boutique shops, cafes, bars, and restaurants, bringing in new business. This regeneration is expected to continue, with an important part of that being the restoration and effective use of this building as a focal point for activity in the area.
- 2.8 A significant amount of renovation work is required to bring the building into valuable use. The capital investment required is likely to be reflected in the lease proposal which may be an initial rent free period, subject to negotiation. Any proposal will need to include a comprehensive refurbishment of this historic building.

3.0 Options:

Option 1. Let the property via a commercial lease

- 3.1 Securing a new tenant for the building under a new lease agreement would provide a new revenue stream for the Council and mitigate against the Council's empty property costs.
- 3.2 The property will be offered on the open market to fulfil the requirement under the Local Government Act 1972, which compels Councils to obtain best value whilst being transparent and allowing all interested parties the chance to take up the lease.
- 3.3 The property will be marketed with a guide rent of £65,000 - £75,000 per annum. A lease of 20 - 25 years is expected on full repairing terms and with upward rent reviews. Terms will be the subject of negotiation and each party will cover their own legal costs.

Option 2. Retain the property

- 3.4 Cabinet could choose to retain some or all of the property but should be aware that this will result in unplanned repairs and management costs, and risk destabilising the Medium Term Financial Strategy.
- 3.5 The preferred and recommended option is recorded at the beginning of this report.

Contact Officer: *Andreea Plant, Interim Principal Surveyor, Estates Department*

Reporting to: Stuart Longbottom (Director of Property)

Background Papers

Title: Strategic Asset Management Plan - Thanet District Council Website or contact propertyandassetmanagement@thanet.gov.uk.

Corporate Consultation

Finance: Chris Blundell, Director of Finance

Legal: Estelle Culligan, Director of Law and Democracy