

Margate Winter Gardens update and decision

Cabinet	22 September, 2022
Report Author	Louise Askew, Director of Regeneration and Mark Peace, Interim Director of Property
Portfolio Holder	Cllr Reece Pugh, Deputy Leader and Cabinet Member for Economic Development
Status	For Decision
Classification:	Unrestricted
Key Decision	Yes
Reasons for Key	Long Term lease of asset over the value of £750,000
Previously Considered by	Individual Cabinet Member Decision Notice - 9 March, 2022 Overview and Scrutiny - 19 April, 2022 Full Council - 14 July, 2022
Ward:	Margate Central

Executive Summary:

The Margate Winter Gardens is owned by Thanet District Council and has been a vital part of Margate's year round offer, providing space for concerts, events and community gatherings. It is a valuable asset to the Council and its communities, and the Council understands that it is much loved by the local community with a great deal of interest and passion about its future.

A petition of 2,000 signatories presented to the Council highlights how much local people care about the building and what it potentially has to offer. As an important asset, through the Margate Town Deal, £300,000 of revenue funding has been secured to carry out research to inform the Council on the next steps for the delivery of the Margate Winter Gardens.

Recommendation(s):

1. Cabinet are asked to note that the Margate Winter Gardens was handed back to the Council on 14 August from Your Leisure Kent Ltd, and has subsequently temporarily suspended operations.
2. Cabinet are asked to note that a Petition signed by 2,000 signatories was submitted to the Council requesting a Public Meeting, in order that the public can show their support for the Winter Gardens and hear about the plans for the future.
 - o It is recommended that the Council does not hold a public meeting, but ensures that further information is added to the Council website with a timeline of next steps.

- It is recommended through the review of the night time economy that engagement with Thanet's communities is undertaken to understand how they would use the Winter Gardens.
3. Cabinet are asked to agree the next steps in delivering the Margate Town Deal Winter Gardens project. This includes, but is not limited to:
 - commissioning experts to complete a costed structural survey of the Winter Gardens
 - commission a complete set of drawings for the site
 - identify all legal requirements in relation to the Margate Winter Gardens
 - commission a team of multi disciplinary consultants to review the night time economy in Margate and the Winter Gardens role in that - this will include engagement with Thanet's communities to understand the audience potential for a venue.
 4. Cabinet gives delegated authority to the Interim Director of Property in consultation with the Economic Development Portfolio Holder and the Director of Regeneration to market the leisure opportunity at the Margate Winter Gardens, in order to identify potential interest from operators and/or a commercial partner.

Corporate Implications

Financial and Value for Money

The expected costs for the Winter Gardens over the next six months are:-

1. **Security** - Additional known security costs of £56,270 have been identified to ensure the building is kept secure. This excludes callout costs and Facility Management Officer time as keyholders. These anticipated costs can be met from approved budgets.
2. **Utilities** - The council also expects to pay £26,000 in utility costs that were previously paid by the tenant. These costs can be covered from the council's repairs reserves, the appropriation of which will be addressed within future budget monitoring reports to Cabinet.
3. **Building, Statutory Compliance and Mechanical & Electrical servicing** - £108,000. These costs can be covered from the council's repairs reserves, the appropriation of which will be addressed within future budget monitoring reports to Cabinet.

The Winter Gardens is a valuable and important asset for the council and officers are continuing to develop appropriate measures to safeguard the asset, including seeking on-going advice from the council's insurers. Further reports will be brought to Cabinet in due course as these cost estimates are refined, either through individual reports relating specifically to the Winter Gardens or via the Council's corporate budget monitoring.

In relation to the £300,000 from the Department for Levelling Up, Housing and Communities the Council is the Accountable Body for the Margate Town Deal. The Accountable Body responsibilities include, but are not limited to:

- Upholding the Seven Principles of Public Life (Nolan Principles)
- Ensuring decisions are made by the board in accordance with good governance principles
- Ensuring transparency requirements are met
- Monitoring and evaluating the delivery of individual projects
- Submitting regular reports to DLUHC
- Receiving and accounting for the Town's funding allocation

The Margate Town Deal Funding has been approved by the Department for Levelling Up, Housing and Communities and will be used to fund the commissions identified in 'Recommendation 3'.

The Section 151 Officer is required to scrutinise and approve regular monitoring returns (currently six monthly) to DLUHC. These returns will cover total and forecast spend, alongside output metrics.

Legal

There are no direct legal implications from this report.

A review of any legal implications about the Winter Gardens and the land will take place as part of the appraisal work.

Risk Management

Through the development and delivery of previous regeneration projects, the Council has established the apparatus and experience for reviewing and managing the various key risks of delivering large capital programmes, including those which rely on ongoing management, improving heritage buildings, and enhancing protected coastal environments.

The Council is responsible for ensuring that there are effective and adequate risk management and internal control systems in place to manage the major risks to which the Towns Fund are exposed. As part of the development of the Winter Gardens Margate Town Deal project Business Case a risk register was developed. The register is a live document and we will seek to update it and continue to use it as an Action Plan.

Any Risks identified in the Risk Register as "High" will be reviewed regularly, and those that provide a significant risk to the Council will be on the Council's corporate risk register. The highest risk relating to delivering the Winter Gardens is the potential refurbishment costs, and the impact on identifying an operator/commercial partner. Commissioning a structural survey will help inform the Council.

Through the monitoring and evaluation process for the Margate Town Deal the Town Deal Board will review the risk register regularly, and the most significant risks are shared with the Department of Levelling Up, Housing and Communities on a six monthly basis in the monitoring and evaluation reports.

In relation to the suspended operations:

- Financial risks - increase the longer the building is void and unoccupied.

- Physical Risks - further deterioration to the external and interior structure , including water ingress, fire, vandalism, theft, squatters, and trespassers, and 3rd party liability.
- Regulatory- EPC and Decarbonisation.
- Reputation risks - if not maintained, vandalised and returned to previous use.

Corporate

Thanet District Council is the accountable body for the Margate Town Deal, however there is a Town Deal Board in place made up of statutory, community and business representatives who were responsible for approving (alongside the Council) the Margate Town Investment Plan, and now the business case Summary Documents. The Board has been in place for just over two years.

The Margate Town Deal supports the Council's corporate priority for Growth, including encouraging the rejuvenation of our high streets and town centres, creating new opportunities to gain skills and therefore employment and continuing to support the growth of the visitor economy. The Council also corporately understands the need to make better use of our assets where possible, particularly if we can deliver regeneration outcomes for the district.

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.

An equality impact assessment will be completed when delivering any stakeholder and community engagement as part of the delivery of this activity.

Corporate Priorities

This report relates to the following corporate priorities: -

- *Growth*

1. Introduction

- 1.1 The Margate Winter Gardens was built in 1911 and is one of the finest examples of a seaside concert hall in the UK. Owned by Thanet District Council, it has been a vital part of Margate's year round offer, providing space for concerts, events and community gatherings. It is a valuable asset to the Council and its communities, and the Council understands that it is much loved by the local community with a great deal of interest and passion about its future. The petition of 2,000 signatories

highlights how much local people care about the building and what it potentially has to offer.

- 1.2 Changes in the way people use entertainment venues and their expectations on what they want from a venue, and a lack of funding to be able to deliver improvements has seen the offer at the Winter Gardens decline over the years. Requiring significant investment and some repurposing of spaces to support its sustainability and viability, the Council has needed to bring back the building in order to put a plan together for its future.
- 1.3 At this time, neither Your Leisure Kent Ltd or the Council have the capital investment required to refurbish the building in order to ensure its sustainability. The Council is clear that there is a need to seek a commercial partner and a long term operator for the Winter Gardens to safeguard it for the future.
- 1.4 The impact of COVID-19 and the enforced closures and subsequent restrictions have had a profound impact, not just on the Winter Gardens but on the leisure industry. A survey by industry body UK Theatre found that 95% of 944 theatre venues, producers and businesses were worse off financially due to the pandemic [<https://www.bbc.co.uk/news/business-56394404>]

2. Securing the building

- 2.1 Since taking the building back on 12 August, 2022 the Council has engaged the Estates team, Facilities Management, and Kent Security & Response Ltd security to enact the following until 12 February, 2023 :-
 - Hire of wireless GSM Operated Panel (including 1x sensor, 1x wireless keypad, 24/7 monitoring, maintenance and network charge)
 - External Video Verification PIR (passive infrared) Detector
 - Internal Video Verification PIR Detector
 - Internal Standard PIR Detector
 - Smoke Detector, Audible Siren, GSM ArialRF Arial
 - Barriers, including:
 - Concrete Barrier Swing Gate
 - Modular integrated security blocks
 - 2.5 Ton Barriers
 - Heras Fencing, including Ballast and Clips
 - Steel sheeting installation x200
 - Framework for windows x 130
 - Twice a day, daily patrols and full external patrols to be carried out and any concerning issues raised.
 - Weekly void property inspections, this to check the internals and externals of the property for damage or theft, squatters, or evidence of illegal entrance, reading of utility metres and removal of post and sent to a forwarding address.
- 2.2 The currently identified costs of these services are set out in the Financial Implications section of this report.
- 2.3 The Winter Gardens is a valuable and important asset for the council and officers are continuing to develop appropriate measures to safeguard the asset, including

seeking on-going advice from the council's insurers. Further reports will be brought to Cabinet in due course as these cost estimates are refined, either through individual reports relating specifically to the Winter Gardens or via the Council's corporate budget monitoring.

3. Margate Town Deal

- 3.1 The strategic case for the Winter Gardens is clearly set out through the Margate Town Investment Plan and the related stakeholder Engagement Summary. The case for change is clear, and why this funding is needed to ensure a sustainable future is identified. The Margate Town Investment Plan outlines a vision which responds to the Government's Towns Fund objectives and evidence of local need and opportunity. This culminated in the vision: "Coming together to help Margate to thrive 365".
- 3.2 Orienting away from a reliance on tourism, the vision for Margate is centred on diversifying the local economy to be more sustainable and resilient. It is focused on maximising the transformational potential of Towns Fund investment and categorises the evolution of the plan around the concepts of Supporting, Surprising and Scaling. Going beyond short, medium, and long-term activities, this reflects the complexity of the challenges facing Margate and the scale of intervention required.
- 3.3 The Town Investment Plan engagement process revealed a strong desire to see Margate's heritage assets - many derelict from years of underuse - to be restored and repurposed. This ambition cut across all community groups; including the desire that heritage assets in Margate can provide a congregation point for Margate's communities.
- 3.4 The project for the Margate Winter Gardens in the Town Deal includes the allocation of £300,000 of revenue funding, which will enable the Council to bring in expertise to help complete an appraisal of the Winter Gardens. Revenue funding, as opposed to capital funding, can be used to commission services, like advice, technical surveys, strategies, employment of people. Whereas capital funding is used for the purchase of assets, the refurbishment/redevelopment of buildings, it cannot be used for revenue related activities. The revenue funding allocated to the Winter Gardens project will be used to commission up-to-date drawings of the building, which will be required for any subsequent architectural drawings; an understanding of the layout of the building; and commission a structural survey so the Council is fully informed on the status of the building and need for refurbishment works. Commissioning a night time economy strategy that will review the role of the Winter Gardens in Margate/Thanet/Kent's night time economy, and consider its potential future role and what it needs, in Thanet, in order to be successful for the local area. This strategy will provide an opportunity for residents to identify how they may use the Winter Gardens in the future.
- 3.5 In the initial Margate Town Investment Plan the Margate Town Deal Board asked for £4,000,000 capital funding for investment in the building. The Department for Levelling Up, Housing and Communities requested further information about the delivery of the £4,000,000 - what it would include and a long term plan for the future.

At that time the Council did not have a long term plan, or an understanding about all the costs. With limited funds in order to progress the required information to understand the current condition of the building, be able to articulate its demand and show its financial sustainability and viability, the Margate Town Deal Board changed the request for funding that could support this work. The Margate Town Deal Board also needed to reprioritise the projects due to the offer from central government being lower than the funding asked for.

- 3.6 There is a significant case for change, as it currently stands the venue does not make enough money to cover the running and maintenance costs for this large, listed building, or the ability fund the significant refurbishment costs required. It needs a new vision, investment and a new future.
- 3.7 The Winter Gardens is a significant asset in terms of size and community interest in the heart of Margate and Cliftonville, it provides an opportunity to add to the economic opportunity, and reduce the reliance on tourism. The ambition for this small revenue project, as part of the border Margate Town Deal is that success for the Winter Gardens site will help to diversify the local economy, enabling it to be more sustainable and resilient, "Coming together to help Margate to thrive 365".
- 3.8 The next steps include putting together briefs to:
 - commission experts to complete a costed structural survey of the Winter Gardens
 - commission a complete set of drawings for the site
 - identify all legal requirements in relation to the Margate Winter Gardens
 - commission a team of multi disciplinary consultants to review the night time economy in Margate and the Winter Gardens role in that - this will include engagement with Thanet's communities to understand the audience potential for a venue.
- 3.9 This first phase of studies will help inform the Council in order to go out to the marketplace to understand the interest for a leisure provision in the Margate Winter Gardens for the future.

4. Options

- 4.1 The Council could take the Winter Gardens straight out to the market with a simple replacement of the lease arrangements, however significant investment is required for the building to continue to run as a venue, which the Council does not currently have.
- 4.2 The Council could return the Margate Town Deal funding and not deliver the project as set-out to the Department for Levelling Up, Housing and Communities. However, this will leave the Council not being able to complete an appraisal of the building and to understand its future, before going out to the market.

- 4.3 The recommended option is to agree to the recommendations noting that the Margate Winter Gardens was handed back to the Council on 14 August from Your Leisure Kent Ltd, and has subsequently temporarily suspended operations.

Note that a Petition signed by 2,000 signatories was submitted to the Council requesting a Public Meeting, in order that the public can show their support for the Winter Gardens and hear about the plans for the future. On the basis that all of the appropriate information - including a timeline of next steps - will be published on the council's website, and therefore will be available to view by an unlimited audience, it is not felt that a public meeting will be best placed at this time. The review of the night time economy will also provide an opportunity for engagement with Thanet's communities to understand how they would use the Winter Gardens.

Agree the next steps in delivering the Margate Town Deal Winter Gardens Project including, but not limited to the commissioning of experts to complete a costed structural survey of the Winter Gardens, commission a complete set of drawings for the site, identify all legal requirements in relation to the Margate Winter Gardens and commission a team of multi disciplinary consultants to review the night time economy in Margate and the Winter Gardens role in that - this will include engagement with Thanet's communities to understand the audience potential for a venue.

Agree to provide delegated authority to the Interim Director of Property in consultation with the Economic Development Portfolio Holder and the Director of Regeneration to market the Margate Winter Gardens in order to identify the potential interest from an operator/commercial partner.

Contact Officer: *Louise Askew, Director of Regeneration and Mark Peace, Interim Director of Property*

Interim Reporting to: *Bob Porter, Acting Corporate Director of Place*

Background Papers

Individual Cabinet Member [Decision Notice](#) - 9 March, 2022

Overview and Scrutiny - 19 April, 2022

[Full Council - 14 July, 2022](#)

Corporate Consultation

Finance: Chris Blundell, Acting Deputy Chief Executive

Legal: Sameera Khan, Interim Head of Legal & Monitoring Officer