

Margate Harbour Arm Building Improvements

Overview and Scrutiny Panel	15 October 2024
By	Andreea Plant, Head of Property
Cabinet Portfolio Member	Cllr Ruth Duckworth, Regeneration and Property
Key Decision	Yes
Decision classification	Unrestricted
Call in status	Yes
Ward:	Margate Central

Purpose of the Report

This report invites members of the Overview and Scrutiny Panel to review the permission to undertake the procurement and award of a contract to undertake essential roof improvements to the building structures on the Harbour Arm, Stone Pier and the installation of handrails to the upper walkway, located along The Stone Pier, Margate. The estimated value of the contract will be £320k.

Recommendation(s):

1. Members of the Overview and Scrutiny Panel are asked to:

Note and scrutinise the report and consider any representations to Cabinet in advance of its meeting on 24 October 2024, where it is recommended that Cabinet:

1. Approves the key decision to award a contract with a value in excess of £250k to undertake essential roof improvements to the building structures and the installation of handrails to the upper walkway of the Harbour Arm, Stone Pier, following a procurement exercise.
2. Agrees that the Director of Place shall negotiate the final terms and sign the contract with the successful bidder.

1. Summary of Reasons

- 1.1 The building is a traditional construction with masonry walls and a cast concrete roof structure; these forms of coastal buildings are common. The original asphalt waterproofing has been replaced historically with painted systems. The exposure of the location and nature of the structure together with lack of ongoing maintenance has led to the buildings suffering water damage internally. The building's exposure to the harsh environment in its location has increased the weathering effects to the structure.

- 1.2 The building units have been let to various tenants, over time the original store use of the units has developed and currently hosts a number of different uses from galleries, bars, coffee bars and fisherman's stores. The nature of the change has shown that the original structure does not function adequately, with both damp penetration from external elements and condensation internally occurring across the concrete surface through the change in occupation.
- 1.3 The Harbour Arm's increased footfall has resulted in the public utilising the building's flat roofs as seating or additional areas to congregate. This has been addressed initially through signage, but the increased use of the roof areas has highlighted the need to limit access through physical interventions for the installation of railings.
- 1.4 Planning permission has been approved for the replacement of the roof covering to include insulation and the installation of handrails as per the Listed Building Approval - L/TH/24/0558 and Planning Approval - F/TH/24/0541

2. Background

- 2.1 Margate Harbour Arm was leased to a third party until 2021 on a peppercorn basis. The property has not benefited from any significant maintenance and repairs during the latter years, and on 24 February 2021, the Council took back possession of the property.
- 2.2 The units had been held on a variety of agreements and after the Council took control, tenants were offered tenancies at will to allow for negotiations to take place for new leases. Negotiations have however proved protracted, and whilst terms have been agreed upon with the current tenants and leases drafted, these have yet to all be formally concluded.
- 2.3 The Council is currently responsible for all external and structural repairs and maintenance. Under the proposed terms of the new leases, the tenants will be responsible for internal repairs and will contribute to the cost of external repairs incurred by the Council by way of a service charge. Service charges are however capped at a percentage of the annual rent, so if annual repair costs are significant, there is potentially a shortfall which the Council will have to fund.
- 2.4 The popularity of the harbour and the increased footfall to the Arm due to the varied food and beverage offerings have resulted in utilising the building's flat roofs as seating or additional areas to congregate. This was initially addressed through signage, but the increased use of the roof areas has highlighted the need to limit access through physical interventions.

3. Relevant Issues

- 3.1 Without the continued maintenance of the structures the building will in the near future become difficult to let leading to a loss of income for the Council. Roof leaks in particular have been a recurring factor in the lease negotiations.

- 3.2 The lower harbour arm has been installed with the same railings proposed for the upper walkway. These lower railings were installed as a direct result of providing a safety barrier to the exposed harbour edge. This work has provided a safe environment for the public.
- 3.3 The Property Enhancement Programme has sufficient allocated funding to cover the estimated budget of £320k for this project.

4. Alternative Options

- 4.1 The Council could decide not to undertake remedial work to stop the deterioration of the building.
 - 4.1.1 This was discounted because the property, which is known as the Stone Pier for listing purposes, has a Grade II Listed Status within the Planning (Listed Buildings and Conservation Areas) Act 1990 as amended. As the owner, the Council could face enforcement action under this Act if it did not maintain the property. In addition, the authority also has obligations to the existing occupiers as the landlord to maintain the building and will continue to do so under the proposed new leases.
- 4.2 The Council could decide not to undertake the installation of the handrailing to the upper walkway.
 - 4.2.1 This was discounted due to the potential risks of injury to persons associated with unauthorised access to the roof areas.
- 4.3 Without completion of the remedial works, the units will become increasingly difficult to occupy due to roof leaks and various other issues, inevitably leading to the vacation of units and loss of income.

5. Consultation

- 5.1 There is no statutory or public law duty to consult in relation to this decision.

6. Corporate Implications

6.1 Finance and Resources

- 6.1.1 A capital budget of £320k was approved to be funded from the Property Enhancement Fund for the financial year 24/25.

6.2 Legal and Constitutional

- 6.2.1 In accordance with the provisions set out in Article 6 of the Council's constitution the Overview and Scrutiny Panel may make reports or recommendations to Cabinet in respect of the discharge of any function. Cabinet must then consider and respond to any recommendations made.
- 6.2.2 The Council has a fiduciary duty to residents to ensure best value and this report notes that the contract will be awarded following a procurement exercise

which will consider best value. The award of this contract must comply with the Council's contract standing orders and advice should be sought in this regard from the Council's procurement and legal teams.

- 6.2.3 This report notes that the budget for this work has already been approved. . Consequently, in accordance with the Council's scheme of delegation set out in Part 3 of the Council's Constitution, this is a matter for Cabinet to decide.
- 6.2.4 Further advice should be sought from the Council's in-house legal team before agreeing the final terms of any contract award.

6.3 Council Policies and Priorities

6.3.1 This report relates to the following corporate priorities:

- To create a thriving place
- To work efficiently for you

6.4 Risk

- 6.4.1 The Harbour Arm buildings are within the Stone Pier Listing, which denotes that they have Grade 2 status under the Planning (Listed Buildings and Conservation Areas) Act 1990, as amended. An owner has an obligation to not to allow their building to deteriorate to the extent that its preservation may be at risk. If the Council does not maintain the building it could face enforcement action. In addition the structure will continue to deteriorate to a level that will become uneconomic to repair or be detrimental to the occupants and public.
- 6.4.2 There is currently a risk to the public who gain access to the roof area for numerous reasons. The council has installed signs advising not to access this area. However during busy periods and for certain events the public gain access. This poses a risk in regards to both the loading to the structure and not designed for these loads together with the risk of falling as there is no edge protection of these roof areas.
- 6.4.2 The estimated cost has been established through a cost plan created by industry manufacturers and the property department. The Council may receive tenders that are higher or lower than the estimated cost. If the cost is higher than the budget set, this will be reported to the Cabinet at the next available opportunity.
- 6.4.3 The work to replace the roof covering and the installation of the hand railings at the Harbour Arm will be undertaken by a competent contractor following approved risk assessments, method statements and other health and safety practices relevant to the work required. Documentation related to this will be evaluated as part of the tender exercise and will be inspected/approved prior to mobilisation.
- 6.4.4 Financial and leasehold risk for not improving the roof

6.5 Climate Change and Biodiversity

- 6.5.1 Environmental and climate change implications have been reviewed and mitigated as far as practicably possible. The tender for the contract will include the upgrading of the thermal insulation qualities of the roof bringing the level of to that of current

Building Regulation requirements. As part of the procurement process the contractor will need to provide information on how it will meet its climate change obligations.

7. Equality, Equity and Diversity Implications

7.1 The Council will be undertaking an open procurement exercise to ensure that companies are provided with an equal opportunity to provide a cost-effective option for the repairs required to the Harbour Arm at the Stone Pier, Margate.

8. Crime and Disorder Implications and Community Impact

8.1 Crime and disorder implications have been reviewed and no implications have been identified.

9. Subject History

9.1 Information regarding the history of this issue including decisions on funding has been set out in the body of the report.

Appendices

None

Background Papers

None

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Report Sign Off

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