

Regeneration and Property Committee	
Meeting Date	19th January 2023
Report Title	Barton's Point Coastal Park – future use and leasing opportunities
EMT Lead	Emma Wiggins Director of Regeneration and Neighbourhoods
Head of Service	Joanne Johnson Head of Regeneration, Economic Development and Property
Lead Officer	David Johnson MRICS Interim Property Services Manager
Classification	OPEN
Recommendations	<ol style="list-style-type: none"> 1. To agree in principle the leasehold disposal of the site to a user or occupier who can invest in and improve the leisure facilities at the site. 2. That any lease will be granted on the basis that continued use and access of the open spaces by the public will be maintained. 3. That authority is delegated to the Head of Regeneration, Economic Development and Property to complete the necessary legal formalities, negotiate, and agree leasehold contracts as applicable and undertake any additional work required to achieve a leasehold disposal.

1 Purpose of Report and Executive Summary

- 1.1 It is government policy that local authorities should dispose of surplus and under-used land and property wherever possible. This report recommends the leasehold disposal of parts of the Council owned land (as shown on the attached plan, Appendix I).
- 1.2 The land forms part of Barton's Point Coastal park and has previously been used as a café and boat house granted under a concession, pitch and putt golf course and a periodic camping area.
- 1.3 It has been clear for some time that the site has further potential as a tourist and local resident destination with an all year round offering, and the end of the existing concession contract has enabled us to test the market and to gain an understanding of what may be possible at the location. Significant capital investment is required on the site to improve the leisure offer and take-up and to maintain the buildings and services in the short and medium term which cannot be funded from Council resource.
- 1.4 The Council owned land is surplus to its requirements and a leasehold disposal of the asset for a beneficial use would reduce the Council's liabilities for the

asset while benefiting from both capital investment, improved facilities for residents and visitors alike and increased revenue.

2 Background

- 2.1 Barton's Point Coastal Park comprises a site of approximately 31 hectares and currently consists of the Boat House Café, toilets, car parking, lake, play area, picnic area, camping area, former pitch and putt course, events field, model flying field (leased to model aircraft community group), miniature gauge railway (leased to model engineering community group) and large areas of open space.
- 2.2 The site is situated on the edge of Sheerness, alongside Queenborough Lines which is the Napoleonic defence of Sheerness and a scheduled ancient monument. This area of coastline is popular for water sports and has launching facilities.
- 2.3 The Council sought Expressions of Interest (EOI) in May 2022 to manage the various elements of the site including the Boathouse, Toilet and Shower Block, Boating Lake, Former Pitch and Putt Course, seasonal Camping Ground and Car Park to combine to make an overall leisure offer.
- 2.4 The current concession agreement has been in place since 2012 and was due to expire in June 2022. We have extended the current contract through to the end of December 2022 to facilitate the EOI process.
- 2.5 The EOI requested interested parties to provide their business plan, proposals, and vision for the facility. The Business Plan needed to demonstrate that the proposal was viable and sustainable for the proposed duration of the legal agreement.
- 2.6 The Business Plans were requested to include the following:
 - Proposed use of the building (Boathouse) including type of food and beverage to be offered
 - Desired length of contract
 - Proposed investment
 - Indicative rental payments proposed to Swale Borough Council
 - Proposed opening dates and times
 - Details of the water sports offering
 - If intention to provide camping/accommodation, then operation management plan
 - Proposed usage of the pitch and putt area
 - Details of any other events or innovative activities proposed to increase visitor numbers or use of the wider park space
 - Marketing proposals
 - Financial projections demonstrating a strong viability, showing profit and loss forecasts and any surplus in addition to a cash-flow for at least 3 years,
 - Details of how any repairs and improvements will be funded (e.g., grant funding, personal savings, temporary rent concession, etc).
 - Evidence of previous experience/operations of a similar nature.

- 2.7 The EOI process generated considerable interest with a wide range of applicants with varying proposals and quality. In the process of reviewing the EOI response and considering advice from officers in Property and Legal, officers concluded that a lease of the site, rather than a concession, would provide for greater flexibility in negotiating capital investment from interest parties, while reducing the Council's risk and cost for managing the site moving forward.
- 2.8 Under the current concession agreement, the Council is responsible for maintenance of the buildings, site and services and any future concession would be on that same basis. Therefore a lease agreement on full insuring and repairing terms is considered preferable in order to remove future repairing liabilities from the Council.
- 2.9. A further consideration is that a concession agreement also implies that the Council is seeking an operator to undertake a service the Council itself would provide and may have future service delivery and TUPE implications and obligations. Finally, if the concession option were pursued, there are procurement implications. A concession agreement would ultimately mean Swale Borough Council has to follow a full procurement process unlike that of a lease. Our internal contract standing orders require tenders to be undertaken above £120,000 including VAT. Therefore, the current EOI would not be compliant if sums exceeded that.
- 2.10 Officers have shortlisted the applications and are now ready to enter into commercial negotiations.
- 2.11 There is substantial public use of the open space at Barton's Point, and it would be a requirement of any leasehold transaction that this use could be continued and supported through continued public use of the facilities on site.
- 2.12 The two areas of the site currently leased to the Model Railway and Model Aircraft Groups would be unaffected by any potential disposal and the Sea Cadets, who own and occupy a building to the northeast of the site, would be able to continue their use of the vast majority of the lake.
- 2.13 The Council is making its own investment in the site as well. The Regeneration and Property Committee approved the award of contract at its 9th November 2022 meeting, to replace the existing toilet block with a new modular toilet and shower block suitable for extended use of the site by this proposal. This represents an investment of £148,108.
- 2.14 Furthermore, the Council was recently successful in attracting £85,000 from the Government's Levelling Up Parks fund. Funding will be used to improve the entrance to the car park, better signage for walking routes, increased heritage interpretation boards to tell the story of the site, tree planting and measures to reduce erosion of the lake banks.
- 2.15. As part of any disposal process the Council would be required to comply with Section 123a of the Local Government Act and undertake a public consultation of the leasehold disposal of Open Space.

3 Proposals

- 3.1 To agree in principle the leasehold disposal of the site to a user or occupier who can invest in and improve the leisure facilities at the site.
- 3.2 That any lease will be granted on the basis that continued use and access of the open spaces by the public will be maintained.
- 3.3 That authority is delegated to the Head of Regeneration, Economic Development and Property to complete the necessary legal formalities, negotiate, and agree leasehold contracts as applicable and undertake any additional work required to achieve a leasehold disposal.

4. Alternative Options Considered and Rejected

- 4.1 Option 1. Do nothing and retain the assets.

The Council would need to commit capital to maintain the integrity and use of the buildings on the site and continue to maintain services at its own cost. This option is considered to be financially unviable for the Council and will not improve the leisure offer or use of the site beyond its current use levels.

Option 2: Redevelop the site for alternative uses

Redevelopment of site the poses substantial risk and cost due to the heritage status of the canal and is considered financially unviable for the Council to undertake. Moreover, alternative uses are restricted by the nature of the site.

5 Consultation Undertaken or Proposed

- 5.1 None undertaken at the current time, however the lease arrangement is considered a disposal, and as such will require a public consultation under section 123a of the Local Government Act regarding the disposal of public open space. Ward Councillors and Parish Councils will be expected to play a key role in the consultation process.

6 Implications

Issue	Implications
Corporate Plan	<p>The proposal supports renewing local democracy and making the Council fit for the future by disposing of surplus land and achieving, a revenue receipt, reducing ongoing liabilities and improving an asset for the use of local residents.</p> <p>It also contributes to the other priorities with objectives including 'Implement the visitor economy framework to increase investment, address new visitor demands and grow the value of the sector to the Swale economy' and 'Promote wellbeing and enjoyment of life by signposting and encouraging a wide range of sporting, cultural</p>

	and other leisure activities appropriate and accessible to each age group’.
Financial, Resource and Property	The proposal looks to reduce the Council's future maintenance liabilities and produce an increased revenue receipt by way of an annual leasehold income.
Legal, Statutory and Procurement	Legal will be required to draft a new lease agreement in consultation with Property and Greenspaces. Any proposed disposal will be for the best consideration reasonably obtainable in accordance with section 123 of the Local Government Act 1972. A disposal will also be subject to the consultation process for the disposal of Open Space under section 123a of the Local Government Act 1972.
Crime and Disorder	Getting a higher footfall to the area will help to oversee the site with consequent benefits for crime and disorder.
Environment and Climate/Ecological Emergency	The successful organisation will need to demonstrate a commitment to eliminating single use plastic by 2025 and ensure activities are not to the detriment of the biodiversity of the site.
Health and Wellbeing	Intensified leisure usage facilitated by new lease arrangements will enhance the wellbeing of new and existing site users and raise the health and wellbeing benefits of the area as a whole.
Safeguarding of Children, Young People and Vulnerable Adults	None identified at this stage.
Risk Management and Health and Safety	The Council currently has no ringfenced capital funds set aside, and limited general building reserves to be able to maintain or replace the buildings and services on the site in the long term.
Equality and Diversity	None identified at this stage.
Privacy and Data Protection	None identified at this stage.

7 Appendices

7.1 The following documents are to be published with this report and form part of the report:

- Appendix I: Barton’s Point Plan

8 Background Papers

None