

Cabinet Meeting	
Meeting Date	5 November 2014
Report Title	Sheerness Heritage Centre – new lease
Cabinet Member	Cllr Mike Whiting, Cabinet Member for Localism
SMT Lead	Mark Radford
Head of Service	Anne Adams
Lead Officer	Anne Adams
Key Decision	No
Classification	Open
Forward Plan	Yes
Recommendations	<ol style="list-style-type: none"> 1. That Cabinet agrees to enter into a new 25 year lease with Sheppey Promenade on the terms set out in the report. 2. That delegated authority be given to the Head of Economy and Community Services and the Head of Property Services to agree any terms not finalised at the time of the report in consultation with the Cabinet members for Finance and Localism.

1 Purpose of Report and Executive Summary

- 1.1 This report sets out the proposals for a new 25 year lease of Sheerness Heritage Centre with a consortium called Promenade. The transfer will be carried out in accordance with the provisions for heritage buildings set out in the Community Asset Transfer policy.

2 Background

- 2.1 The Sheerness Heritage Centre at Rose Street, Sheerness was acquired by the Council in 1983 and has been open to the public as a local history museum and heritage centre until earlier this year. The building is currently displayed as an example of a former dockyard worker's home. The building with shop frontage had previously been used to display artefacts and information on the history of the dockyard and other local heritage, with many artefacts remaining on site for display.

2.2 The building has been closed to the public since May 2014 when the organisation that had been operating the centre became unable to continue.

3 Proposals

3.1 In May this year, a consultation exercise was commenced to establish whether any local voluntary sector groups would be interested in taking a new lease of the building with the intention of re-opening it as a heritage centre or for some other purpose that would promote the Island's cultural and heritage offer. An invitation for expressions of interest was published on the Council's website and local groups were approached to gauge any interest.

3.2 As a result of the consultation exercise, two groups came forward and expressed an interest in putting forward a detailed bid.

3.3 One bid was received on 2 October 2014 and evaluated by a panel of three officers. Based on the bid submitted, the officers are satisfied that the bidder, Sheppey Promenade, has the potential governance, skills and vision to manage the building in a way that both safeguards its long term future and enhances the cultural and heritage offer on the Island.

3.4 The organisations which comprise the Promenade consortium include Big Fish Arts, Sheppey Little Theatre, Sheppey Matters and Love Sheppey and they work with Blue Town Heritage Centre, Minster Abbey Gatehouse museum, Tempus Experientia, the Town Team, Castle Connections, Barton's Point, Aspirations and the Island Partnership. It is also proposed that an officer from Swale Borough Council will have a seat on the consortium to be nominated by the Director of Regeneration.

3.5 A registered charitable trust will need to be created and other details agreed before the terms of a lease can be finalised. It is anticipated that this could take several months to complete. Members are therefore requested to delegate the agreement of the terms of the lease to the Head of Economy and Community Services and the Head of Property Services.

3.6 As part of their bid submission, Promenade has set out the following proposals:

- Income will be generated from entrance fees, season tickets, souvenir sales, workshops, special events, films/talks, commission from ticket sales,
- They will seek additional funding from Heritage Lottery Fund, Arts Council, Paul Hamlyn Trust,
- They will apply to be a Tourist Information Point,
- They will work with local schools to bring local history to life,
- They will use actors and re-enactors to demonstrate life as it was lived in the past,
- They will promote the centre via "Visit Swale", "Visit Kent" and other tourism sites.

3.7 The current budget for the building is £2,800 per annum. It is proposed to make this available as a grant for a four year period, with the funding then terminating as the group becomes self sufficient.

3.8 The terms of the proposed lease will be as follows:

- 25 years (excluded from the L&T Act)
- The tenant will be responsible for internal repairs and decorations including electrical and mechanical installations,
- The Council will be responsible for the structure and exterior of the building including the roof, windows and external doors,
- The Council will insure the building and the tenant will be responsible for contents and public liability insurance,
- The rent will be a nominal £1 per annum (subject to rent reviews as set out in the CAT Policy)
- There will be a four year funding agreement, commencing at £2,800 in the first year and not exceeding £2,800 per annum until year 4, after which time funding will discontinue.

3.9 Over the last three years, the Council has spent around £8,700 on building maintenance. This has included a new fire alarm at a cost of £2,800 and new windows at a cost of £3,900. Future expenditure by the Council is therefore expected to not exceed £1,000 per annum, which will be funded from the building maintenance budget.

3.10 Although the building has been operating as a community asset for around 30 years, it does potentially have an alternative use, either as a residential property or a commercial retail unit. In accordance with the Community Asset Transfer policy an independent valuation of the building has been obtained. The valuer's advice is that the **restricted** value of the asset (ie. the value in use as a heritage centre) is £5,550 and the **unrestricted** value (ie. the value in some alternative use) is £45,000. This means that the amount of **under-value** is £39,450.

4 Alternative Options

4.1 The building could be sold on the open market, either at auction or by private treaty. This has been discounted due to the fact that, while it has been in the ownership of the Council, the building has always been open to the public as a local community asset. It is therefore considered important to retain the asset for the benefit of the local community and tourism on the Island which supports the local economy.

5 Consultation Undertaken or Proposed

- 5.1 The voluntary and community sector organisations based on the Island were consulted as part of the expression of interest stage to ensure that every organisation had an opportunity to make a bid.
- 5.2 The local ward members and the Cabinet Members for Localism and Finance have been consulted and support this proposal.

6 Implications

Issue	Implications
Corporate Plan	The transfer of the building to a local community group is being proposed in accordance with the Community Asset Transfer Policy and supports the Localism priority in the Corporate Plan.
Financial, Resource and Property	Initially there will minimal financial implications as, for the next 4 years, part or all of the existing budget will be transferred to the trust as a grant to provide start up funding. However, after this time, there will be a saving to the Council of £2,800 per annum. Responsibility for external and structural maintenance will remain with the Council and will continue to be funded from the building maintenance budget.
Legal and Statutory	Legal services will be required to prepare the new lease.
Crime and Disorder	None anticipated at this stage.
Sustainability	Opportunities for improving sustainability are relatively limited but will be taken wherever possible, for example, the improvement of thermal insulation and addition of low energy lighting.
Health and Wellbeing	None anticipated at this stage.
Risk Management and Health and Safety	None anticipated at this stage.
Equality and Diversity	As a heritage asset, the building has the usual constraints in terms of accessibility to the upper floor. This can be addressed by providing a digital “walk through” of the upper floor from a video screen on the ground floor.

7 Appendices

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

- Appendix I: Site Plan

8 Background Papers

None