

Meeting: Cabinet
Date: 18th November 2024
Classification: Part 1
Key Decision: No
Title of Report: Notice of Motion – Kursaal Building

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1. Executive Summary

- 1.1. This report provides background information to update Cabinet on the motion titled: “Kursaal Building” which was presented to Council on 18 July 2024.
- 1.2. During consideration of this matter by Council on 18 July 2024, an amendment was proposed.
- 1.3. This report presents the amended Motion alongside a recommendation to Cabinet.

2. Recommendations

It is recommended that Cabinet:

- 2.1. Notes the action taken by officers and that further conversations and appropriate action will be taken with a view to encouraging private investment.

3. Background

- 3.1 Council considered a Notice of Motion titled ‘Kursaal Building’ on 18 July 2024. The motion was amended and was set out in the Minute of Council and is repeated here for ease of reference:

***“In accordance with Standing Order 15, a Notice of Motion concerning the Kursaal building was submitted by Councillor McMahon and seconded by Councillor Garston.*”**

During consideration of this matter an amendment was proposed by Councillor Dent and seconded by Councillor Gilbert.

Resolved:

That the Notice of Motion concerning the Kursaal building, as amended below, be referred to the Cabinet for consideration:

‘Kursaal Building’

The iconic nature of the Kursaal on the seafront and its current situation, means it is understandably the subject of current speculation and discussion.

The future of the listed building has been in doubt for some time following the closure of the bowling alley and leisure area.

Since its closure, the building has fallen into a state of disrepair. The lease arrangements entered into with the current owners require the outside of the building to be maintained.

This Council therefore resolves:

- 1. To publicise to the current owners to maintain the outside of the building that the council will take swift enforcement action if the interior and exterior of the building is not properly maintained.***
- 2. To continue to work towards the reopening of the Kursaal and a sustainable future for the building, as outlined in the joint administration agreement published on 21st May 2024.”***

- 3.2 The Council owns the freehold of the Kursaal and there is a 250-year peppercorn lease in place. The current tenant is The Bank of New York Mellon acting as depository of the AEW UK Core Property Fund (a sub fund of the AEW UK Real Estate Fund).
- 3.2 The Kursaal has proved an extremely challenging building to let, due to its age, heritage listing (its grade 2 listed), and the structural and physical constraints which mean that the building does not meet the requirements for modern leisure operators.
- 3.3 The owners and their agents have struggled to retain tenants and to attract new ones and the property sits empty save for one lease to Tesco stores on part of the building. The options for the tenant would generally involve a high degree of financial risk and significant capital investment. The current fund continue to look at alternative uses to try to drive value from the asset.
- 3.4 All the financial value of the property sits in the long lease which was last traded in the market in September 2018 for £6.28m. The tenant has all responsibility for the building and its insurance. The Council is not involved in the running of the building.

- 3.5 Following the resolution from Council, a joint letter signed by the relevant cabinet members was sent to AEW on 12th August 2024 publicising their concerns as follows;

“Please be aware that on the 18th July 2024, the Council passed a motion concerning the Kursaal building, Southchurch Avenue Southend on Sea. The resolved motion is set out at the bottom of this letter.

The Council continue to have significant concerns over the condition of the property and the apparent lack of appropriate maintenance there, concerns which are echoed among local residents and the Council has chosen to set out its position and objectives moving forwards.

It is resolved that, should you as the leaseholder be unwilling to maintain the building appropriately as expected under the terms of the leasehold interest, the Council will take such enforcement action as is open to it to under the terms of the lease and under the planning and conservation powers available to it.

We would therefore hope to see improvements made to the exterior of the building and that efforts are made to bring the building back into operational use. In its earlier joint administration agreement the Council had set out its aspiration that the property reopen at the earliest opportunity and in doing so ensure this historic building and local landmark can enjoy a sustainable future.”

- 3.6 AEW responded by saying they are now in discussions with Planning to discuss repairs with the listed buildings team. Officers are awaiting a full list maintenance schedule of work undertaken and to be undertaken and this is currently being followed up.

- 3.7 Officers have been clear with AEW and potentially interested parties that it is open minded about future uses for the building which preserve the original parts of the building and their heritage whilst understanding that change and development which is proportionate and well designed will be necessary to support the building back in to beneficial use. Officers will continue to make themselves available for conversations which will support this aim and lever in private investment.

4. Reasons for Decisions

- 4.1. To ensure the Kursaal building is properly maintained to the requirements of the current lease and conversations continue regarding its future.

5. Other Options

- 5.1. N/A

6. Financial Implications

- 6.1. There are currently no financial implications for the Council beyond the officer time involved in maintaining and supporting dialogue.

7. Legal Implications

7.1. The freehold is owned by the Council and there is a legal 250 year peppercorn lease in place at the property.

8. Policy Context

8.1 None

9. Carbon Impact

9.1. None

10. Equalities

10.1. None

11. Consultation

11.1. None

12. Appendices

12.1. None

13. Report Authorisation

| This report has been approved for publication by: | | |
|--|-------------------|-----------------|
| | Name: | Date: |
| Executive Director(s) | Joe Chesterton | 10 October 2024 |
| S151 Officer | Joe Chesterton | 10 October 2024 |
| Monitoring Officer | Susan Zeiss | 11 October 2024 |
| Relevant Cabinet Member(s) | Cllr Paul Collins | 11 October 2024 |