

**Southend-on-Sea Borough Council**

**Report of Corporate Director  
for Place  
to**

**Cabinet**

**On  
20 September 2016**

**Agenda  
Item No.**

Report prepared by: Paul Jenkinson, Parks Technical Officer

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**Carriage and Wagon Shed Options – Shoebury Garrison**

**Place Scrutiny Committee  
Executive Councillor: Councillor Ann Holland  
Part 1 (Public Agenda Item)**

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**1. Purpose of Report**

- 1.1. To make Members aware of the options for the future management and operation of the Carriage and Wagon Shed Shoebury Garrison.
- 1.2. To request that Members agree to lease the building to a third party organisation.

**2. Recommendations**

- 2.2 That the Carriage and Wagon Shed is leased to the new Shoebury Coastal Community Interest Company as detailed in section 4.
- 2.3 Delegate authority to the Corporate Director of Place to advertise the opportunity to develop and manage the building for the benefit of residents and visitors to the borough if the Shoebury Coastal Community Interest Company is unable to take on the lease of the building by 30<sup>th</sup> September 2017.
- 2.4 Delegate authority to the Corporate Director of Place to negotiate and agree terms of any lease associated with the Carriage and Wagon Shed in consultation with the Council's Asset Management and Legal Teams.
- 2.5 Support the delivery of any fit-out of the Carriage and Wagon Shed as set out in the Coastal Communities Funding application.
- 2.6 Note the financial position as set out in section 7.2.

### **3. Background**

- 3.1.** As a result of the development of the former Shoebury Garrison site by Avant Homes, (formerly Country and Metropolitan Homes), the developer took on an obligation under the S106 agreement to refurbish one of the listed structures, the Carriage and Wagon Shed, for use as a visitor centre and community facility and to transfer the freehold to the Council on completion of the works (subject to a pre-emption for £1 in favour of the developer in the event of sale within 21 years). The original S106 agreement required the developer to provide a fully fitted out building. However, due to economic pressures, Development Control Committee agreed to vary the S106 in 2015 at the developer's request. The variation limited the required works to the external shell of the building and the basic internal core and removed the previously agreed commuted sum to assist with the running and maintenance costs of the building. The building is due to transfer to the council in September 2016.
- 3.2.** Cabinet received a report in September 2011, and resolved to work with a community group or charity to manage the Gunners Park Heritage Centre once completed.
- 3.3.** Following the Cabinet resolution, a group was formed consisting of The Southend Educational Trust, Essex Wildlife Trust, The Shoebury Society and The Shoebury Archive. The aim of the group was to take on the management of the Carriage and Wagon Shed as a heritage centre, once the developer completed the refurbishment of the building. The group constituted itself as the Shoebury Heritage Centre Board.
- 3.4.** To provide financial stability for the Shoebury Heritage Centre Board, The Southend Educational Trust agreed to be the accountable body for the group.
- 3.5.** However, due to delays in the delivery of the building by the developer and changes within the Southend Educational Trust, in 2015 the Trust had to step down as the accountable body. Later that year, the Shoebury Heritage Centre Board was dis-banded.
- 3.6.** In July 2015, the Government asked for expressions of interest in setting up Coastal Community Teams. Local groups, businesses, and residents expressed an interest in setting up a Coastal Community Team for the Shoeburyness area. In October 2015 the Shoeburyness Coastal Community Team was set up.
- 3.7.** As a result of the creation of the Shoeburyness Coastal Community Team, a bid for Coastal Revival Funding was possible, allowing for work to be undertaken on option appraisals for the building and detailed internal layout to be undertaken. See Appendix 1 and 2.
- 3.8.** In May 2016, the Shoeburyness Coastal Community Team voted to set up a Community Interest Company with the intent of taking on a lease for the Carriage and Wagon Shed and using it for the benefit of the community and local area.

- 3.9.** The company is currently being set up with its aims outlined in the following activities: Provide benefits to communities; individuals; visitors; schools and young people in and around the Shoeburyness area of Southend-on-Sea (the Shoeburyness and West Shoebury Wards as defined within the Government Boundary Commission for England (May 2015)) With a particular focus on coastal projects.

#### **4. Proposal**

- 4.1 To lease the Carriage and Wagon Shed on a full repairing and insuring lease, to a third party organisation to manage and operate as a community focused facility.
- 4.2 To work with the Shoebury Coastal Community Interest Company as the preferred organisation to lease and operate the Carriage and Wagon Shed.
- 4.3 The Shoebury Coastal Community Interest Company must be in a position to lease the building by 30<sup>th</sup> September 2017 with a suitable and sustainable business plan in place.
- 4.4 The lease for the building to be negotiated with the Shoebury Coastal Community Interest Company, based on a peppercorn rent for years 1 to 10 with a review in year 10 and an option to phase in a commercial rent from year 11 onwards.
- 4.5 The lease on the building should be negotiated with a duration of up to 26 years but recognising the Council's obligation to comply with s.123 Local Government Act 1972 for any lease over 7 years.
- 4.6 If the Shoebury Coastal Community Interest Company is not in a position to take on the lease for the building by 30<sup>th</sup> September 2017, the opportunity will be advertised openly for a charity or community interest company to submit proposals to lease and operate the building.
- 4.7 The responsibility for selecting an alternative organisation to take on a lease and manage the Carriage and Wagon Shed is proposed to be delegated to the Corporate Director for Place.
- 4.8 Prior to leasing the building to a group or organisation, the Council will deliver the fit-out of the building, providing the Coastal Community Funding bid for £700,000, submitted in 2016 is successful.
- 4.9 In the event that the Coastal Community Funding bid is unsuccessful, the Council will work with the leaseholder of the building to secure funding and deliver the internal fit-out.

#### **5 Other Options**

- 5.1 Option 1 - Do nothing and leave the building to decline. The Carriage and Wagon Shed is a listed building and the Council will retain a responsibility to maintain the frame and structure in the event that the building is not used and allowed to decline.

- 5.1.1 This option is not recommended due to the listed status of the building and the interest already displayed by local groups in leasing and managing the building.
- 5.2 Option 2 – Advertise the opportunity for a charity or community interest company to lease and manage the building and not ring-fence the opportunity to the Shoebury Coastal Community Interest Company.
- 5.2.1 This option is not recommended as it is recognised that the Shoebury Coastal Community Interest Company members have already been involved with the building previously and that this group has been set up with the interests of Shoebury as a fundamental aim.
- 5.3 Option 3 – Not lease the Carriage and Wagon Shed to a third party organisation and instead manage the facility in-house.
- 5.3.1 This option is not recommended due to the additional staff and resources that would be required by the Council to successfully run and manage the facility.
- 5.4 Option 4 – Advertise the opportunity to lease and manage the Carriage and Wagon Shed as a commercial opportunity on a commercial rent.
- 5.4.1 This option has not been recommended as a not for profit Shoebury Coastal Community Interest Company should be in the best place to deliver on the wants and needs of the local community.
- 5.4.2 The preferred option allows a commercial rent to be considered and introduced from year 11 of the lease.
- 5.5 Option 5 – Sell the Carriage and Wagon Shed and ring fence the capital raised for investment in the other council owned historic structures in Gunners Park and the Garrison.
- 5.5.1 This option has not been recommended as the S106 agreement listed the Carriage and Wagon Shed as a building to be transferred to the Council and to be used as a community facility. If the building is sold future use of the building as a community facility could not be guaranteed although the Council would have to agree to amend the S106 so retains some control.
- 5.5.2 This option is also not practical at this time due to a covenant within the transfer requiring the Council to offer the building back to the developer for the sum of £1 if we wish to sell the building within 21 years of the transfer date. As a last resort, the building could be offered back.

## **6. Reasons for Recommendations**

- 6.1. The Shoeburyness Coastal Community Team and the new Shoebury Coastal Community Interest Company have been set up for the benefit of the Shoeburyness area.
- 6.2. The Shoeburyness Coastal Community Team and the new Shoebury Coastal Community Interest Company is made up of groups and individuals with

interest in the Shoeburyness area and includes individuals and organisations previously involved with the Shoebury Heritage Centre Board. Details of the aims of the Shoeburyness Coastal Community Team and its members can be found in the Coastal Community Team economic plan (Appendix 3).

- 6.3. Leasing the building to a community interest company whose aims are to benefit the Shoeburyness area should ensure that the Carriage and Wagon Shed is managed for the benefit of the local area.
- 6.4. Leasing the building on an initial peppercorn rent and for duration of up to 26 years will enable the community interest company to develop the offer of the building and apply for external funding.
- 6.5. Leasing the building to a community interest company will help safeguard the Carriage and Wagon Shed for the future and minimise pressures on Council resources.
- 6.6. The option to advertise the building to an alternative organisation, if the Shoebury Coastal Community Interest Company is unable to take on the lease, will provide the best opportunity to retain the Carriage and Wagon Shed as a benefit to the town and preserve its heritage and community value.

## **7. Corporate Implications**

### **7.1 Contribution to Council's Vision & Corporate Priorities**

- 7.1.1 Healthier Southend: Providing well-managed parks facilities within the town helps to encourage participation in healthy outdoor activity.
- 7.1.2 Safe Southend: Strong communities help reduce crime.
- 7.1.3 Clean Southend: Well-maintained facilities and community activities give a better image of the town.
- 7.1.4 Prosperous Southend: An attractive townscape can assist in encouraging investment within the town.
- 7.1.5 Excellent: A well-maintained townscape enables the Council and community groups to enter regional and national awards.
- 7.1.6 Minimising our environmental impact: The fit-out of the building will take into account climate change and the local environment.

### **7.2 Financial Implications**

- 7.2.1 No revenue budget or funding is currently allocated to this project. It is recommended that the building maintenance budget be increased by £5,000 to cover alarm-monitoring costs and general maintenance. It is also recommended that £500 is added to the budget to cover utility costs. This additional funding is required for 2017/18 budget period only and can be funded from the Council's contingency. However, if the building is not leased during 2017, the funding will need to continue in successive years until an operator is

secured. The funding of these further costs will need approval at the appropriate time.

7.2.2 Staff time for working on the project will need to be allocated. This will be found within existing staff teams.

7.2.3 Costs associated with the drafting and agreeing the lease for the building will need to be met from existing internal resources.

7.2.4 The capital cost and funding of the internal fit out of the building will be externally funded and there is no Council capital contribution required.

### 7.3 Legal Implications

7.3.1 The Council will be best placed to secure the community objectives and mitigate its exposure to liabilities through the leasing of the building to a third party organisation as proposed. All legal implications will be carefully managed through the leasing process and the relevant teams will be engaged as required to support this.

### 7.4 People Implications

7.4.1 No people implications have been identified at this time.

### 7.5 Property Implications

7.5.1 Management of the Carriage and Wagon Shed until leased to a third party organisation.

7.5.2 Leasing of the Carriage and Wagon Shed to a third party organisation.

7.5.3 Fit-out of the inside of the building subject to funding.

7.5.4 Generally otherwise as set out in the report.

### 7.6 Consultation

7.6.1 Consultation has been undertaken as part of the planning process.

7.6.2 Additional consultation will be undertaken on aspects of the project managed by the council when requirement is identified.

### 7.7 Equalities and Diversity Implications

7.7.1 No Equality Analysis has been undertaken. It is not envisaged that an analysis will be required. However, consultation with the Senior Advisor for Equalities and Inclusion will be undertaken.

## 7.8 Risk Assessment

<b>Risk</b>	<b>Mitigation</b>
No third party organisation able to lease the building	Work with group already interested in the building. Reserve the opportunity to sell the building.
Funding bid for internal fit-out unsuccessful.	Look for alternative funding opportunities and submit bids.
Shoebury Coastal Community Interest Company not able to develop a viable option to manage and lease the building.	Operation and management of the building would be advertised openly for an alternative community of commercial operator.
Objections during the planning application process.	Work with the local community via the Shoeburyness Coastal Community Team during this phase.

## 7.9 Value for Money

7.9.1 All works will be procured in line with the Council policies and procedures.

## 7.10 Community Safety Implications

7.10.1 None identified.

## 7.11 Environmental Impact

7.11.1 The operation of the Carriage and Wagon Shed will look to minimise the impact on the local environment.

## 8 Background Papers

- Options Appraisal for Carriage and Wagon Shed
- Designs for Internal Layout
- Shoeburyness Coastal Community Team Economic Plan

## 9 Appendices

Appendix 1 – Location Map of Carriage & Wagon Shed