

From: Rebecca Spore, Director of Infrastructure

To: Peter Oakford, Deputy Leader and Cabinet Member for Finance Corporate and Traded Services

Subject: **DECISION 23/00085 Granting of Lease to Royal National Lifeboat Institution (RNLI) for Lifeboat Station in Margate**

Key Decision

Classification: *Unrestricted report with exempt appendix A, not for publication under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).*

Future Pathway of Paper: Cabinet Member Decision

Electoral Division: Margate, Barry Lewis

Summary: This report considers the proposal to grant a Lease for over 20 years to the Royal National Lifeboat Institution (RNLI) for its Lifeboat Station at The Rendezvous in Margate.

Recommendation(s):

The Deputy Leader and Cabinet Member for Finance Corporate and Traded Services is asked to consider and endorse, or make recommendations on the proposed decision to:

1. grant the Royal National Lifeboat Institution (RNLI) a new lease of its Lifeboat Station in Margate on terms as outlined in exempt Appendix A; and
2. delegate authority to the Director of Infrastructure, in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, to finalise terms for the lease and any related agreements including licences for alterations.

1. Introduction

1.1 Kent County Council (KCC) are the freehold owners of land and buildings comprising of a Royal National Lifeboat Institution (RNLI) Lifeboat Station at The Rendezvous in Margate. It is currently occupied by the RNLI who are “holding over” under the terms of the Landlord & Tenant Act (1954) following expiry of their previous lease on 31 March 2020.

1.2 The Lifeboat Station requires modernisation to better meet the operating needs of the RNLI. The RNLI are proposing to extend the existing building by adding a two-storey side extension and by raising the height of the roof of the existing building to provide additional first floor accommodation. The existing building will be re-

clad to improve its visual appearance. The cost of the works are substantial, as explained in the exempt Appendix A.

- 1.3 The RNLI have been granted planning consent for the works by Thanet District Council under reference F/TH/23/0532. The decision notice was issued on 3 July 2023.
- 1.4 To justify the capital expenditure, the RNLI have requested the County Council grants a new lease on terms set out in the exempt Appendix A.
- 1.5 In order for RNLI to proceed with the modernisation of the Lifeboat Station, it first requires the County Council to commit to the granting of a new lease.

2. Proposed Express Terms of the New Lease

The new lease will be granted on similar terms to the previous lease with the RNLI responsible for all outgoing, repairs and insurance and will include any other terms as may be agreed between the parties recommended for authorisation to the Director of Infrastructure. Further details are set out in exempt Appendix A.

3. Options Considered

- 3.1 **Option 1 - Obtain Vacant Possession:** The RNLI has requested a new tenancy under s26 of the Landlord & Tenant Act (1954). The County Council currently has no valid grounds to object to the grant of a new tenancy under the statutory provisions of the Landlord & Tenant Act (1954).
- 3.2 **Option 2 - Continue under a “holding-over” arrangement:** The RNLI has requested a new tenancy and begun the process for a statutory renewal of the lease. The RNLI requires the security of a new lease to safeguard the operation of the lifeboat service for the protection of lives at sea.
- 3.3 **Option 3 - Grant a new lease:** This is the preferred option of the parties. Under the Landlord & Tenant Act, the RNLI are not entitled to a term exceeding 15 years. However, a longer term is proposed so the RNLI can justify the significant capital expenditure required to adapt and modernise the existing Lifeboat Station. While this will limit KCC's options for the land for the duration of the new lease, the prospects for redevelopment are limited due in large part to the high development costs of building on what is reclaimed sea-front land. The proposed lease to the RNLI will deliver an income stream as set out in exempt Appendix A, which the County Council can use to support the Turner Contemporary Building as required by the restrictive covenant.
- 3.4 **Option 4 - Sale of the Site to RNLI:** The restrictive covenants in the County Council's title require revenue to be used to support the Turner Contemporary Building. This option is not favoured by the parties.

4. Financial Implications

- 4.1. The rent payable under the expired lease was fixed at £1 per annum for the duration of the term.
- 4.2. Under the new lease, a market rent will be payable as set out in exempt Appendix A. This will be subject to review every 5 years.
- 4.3. The RNLI will pay an interim rent from 1st January 2023 until the lease is completed, as set out in exempt Appendix A.
- 4.4. The RNLI will be responsible for future maintenance of the Lifeboat Station, payment of business rates and all other outgoings connected with the use and occupation of the Lifeboat Station.
- 4.5. Each party will bear its own legal costs in connection with the grant of the new lease.

5. Legal Implications

- 5.1 The County Council is the current owner of the freehold interest in the land upon which the Lifeboat Station is located.
- 5.2 The County Council acquired the Rendezvous site from Thanet District Council in 2005, for the sum of £1 in connection with the development of the Turner Contemporary Building.
- 5.3 The transfer to KCC contains restrictive covenants requiring the County Council to re-invest revenue income from the Rendezvous site into the capital and revenue costs of developing and operating the Turner Contemporary Building.
- 5.4 There is an additional covenant requiring any purchaser of the Rendezvous site (or part thereof) to enter into an identical covenant whereby revenues are applied to the costs of operating the Turner Contemporary Building.
- 5.5 The RNLI hold a business tenancy of the Lifeboat Station which benefits from the protections afforded by sections 24-28 of Part 2 of the Landlord & Tenant Act (1954). This legislation restricts the rights of the County Council to recover possession of the Lifeboat Station.

6. Equalities implications (EQIA)

- 6.1. The new facilities are required for use by the RNLI as an operational Lifeboat Station. These new facilities will not be available for use by the County Council or the wider community but will be of benefit to the wider community. An equalities impact assessment (EQIA) has been completed with no negative impacts identified. An EQIA screening has taken place and is published.

7. Other corporate implications / Corporate Objectives:

7.1. The proposed decision meets the objectives of the County Council's strategic plan "Framing Kent's Future" in the following ways;

7.1.1 **Outcome 1:** Enterprise and Investment – The RNLI is choosing to invest in Kent, providing a much needed rescue service along Kent's extensive coastline and enabling the growth of the Kent economy.

7.1.2 **Outcome 2:** Securing sustainable infrastructure – The existing RNLI facility is no longer fit for purpose to serve Kent and the new facility will ensure it does this.

7.1.3 **Outcome 4:** A cleaner and greener Kent – The new facility includes meeting climate change requirements including MEE's regulations, with solar panels and other energy saving features included in the design.

7.1.4 **Outcome 5:** Stronger and safer Kent communities – The new facility will ensure that those residents using watercraft along Kent's coasts will be safer with the new facility with the RNLI being able to provide an improved, speedier response to any incidents to which it attends.

8. Governance

8.1 Under s.123 of the Local Government Act (1972), the County Council is under a duty to obtain the best consideration that can reasonably be obtained. The proposed rent under the lease as set out in exempt Appendix A, is considered a market rent.

8.2 The Local Member for Margate, Barry Lewis, has been formally notified of the proposal to grant a new lease of more than 20 years to the RNLI. Mr Lewis acknowledged the proposal but did not make any representations.

9. Conclusion

9.1 The granting of a lease for a term exceeding 20 years will enable the RNLI to modernise the existing Lifeboat Station in order to better deliver its life-saving operations. The new lease will generate important revenue for the County Council and the enhancements to the Lifeboat Station will deliver improvements to the visual amenity of the area in the vicinity of Turner Contemporary.

10. Recommendation(s)

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11. Background documents

11.1 Exempt Appendix A

11.2 Appendix B – Proposed record for Decision

11.2 Appendix C - Published Equalities Implication Assessment (EQIA)

12. Contact details

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