

**Classification:** Public

**Key Decision:** Yes

## **Gravesham Borough Council**

**Report to:** Cabinet

**Date:** 4<sup>th</sup> January 2022

**Reporting officer:** Assistant Director - Corporate Services and Service Manager  
Property & Regulatory

**Subject:** Town Pier and Pontoon

### **Purpose and summary of report:**

To seek authorisation to agree the sale of the Town Pier and Pontoon, West Street, Gravesend in order to facilitate rapid river transport solutions for the Town.

### **Recommendations:**

1. That Cabinet agrees that the Town Pier and Pontoon are declared surplus to requirements and approves their sale for the reasons set out in the report, noting the specific requirements outlined within the Heads of Terms for any sale to protect public access rights and secure long term management of the Town Pier / Pontoon and
2. Cabinet delegate authority to the Director (Communities), in consultation with the Leader of the Executive, Director (Corporate Services as s151 Officer) and Monitoring Officer to negotiate the final terms of the sale and enter into the necessary associated legal agreements on behalf of the Council.

### **1. Proposal**

- 1.1 Heads of Terms have been drawn up for the proposed sale of the Town Pier and Pontoon to Thames Clippers. This report seeks Cabinet approval for officers to negotiate and agree the final terms of the contract and enter into the necessary legal agreements, in consultation with the Leader of the Executive.
- 1.2 The terms of the sale include the continued use of the pontoon by the Gravesend / Tilbury ferry service and public access to the Town Pier.
- 1.3 The sale is also intended to act as a catalyst for the provision of rapid river transport solutions for the Town by an established river user as well as securing the long term management of maintenance of the facility.

## 2. Background

### 2.1 Town Pier

- 2.1.1 Gravesham Borough Council purchased the Town Pier in 2000 from a private owner. The Grade II\* listed pier is the oldest remaining cast iron pier in the world.
- 2.1.2 The Council's vision at the time of purchase was:
  - 2.1.2.1 that the pier should be properly restored accepting this would be undertaken by the public sector. At the time of purchase it was on English Heritage's 'Buildings at Risk' register.
  - 2.1.2.2 That it be made to earn its living and upkeep by putting a use on the deck and that this should be done by the private sector.
  - 2.1.2.3 That public access should be restored to at least part of the pier.
  - 2.1.2.4 That the pier's original use of facilitating visitors to arrive at and depart from Gravesend by river by the replacement of a pontoon off the pier should be reinstated.
- 2.1.3 The council subsequently granted a long lease of the pier to Q Breweries Ltd who subsequently carried out a fit out at its expense and opened the pier as a bar and restaurant. The intention had been that once built Q Breweries Ltd would take on the running of the pontoon so that in effect the assets would be run and managed 'as one' solely by a private company.

### 2.2 Pontoon

- 2.2.1 Some time after the council purchased the Town Pier, KCC approached the council regarding the provision of a pontoon. Their main interest was to achieve an improved Gravesend / Tilbury ferry service in the town centre. At that time the service ran from West Street which was the only available pier in Gravesend and was in private ownership. As such the pier's owner had to be awarded the contract without the benefit of tendering despite offering a service and facilities that fell short of the councils aspirations.
- 2.2.2 A project team comprising GBC, KCC, Thurrock Council, English Heritage, PLA and Q Breweries Ltd was set up to design a pontoon which took account of its historic setting and could accommodate the ferry plus smaller and larger boats.
- 2.2.3 Whilst the pontoon would remain in Council ownership the intention had been that it would not be responsible for its maintenance and that the revenue costs would at least be minimised or preferably the responsibility of others. Unfortunately Q Breweries Ltd went into administration before the pontoon was built. This meant that the Council became responsible for the operation and management of the pontoon which was not the original intention.

### 3. Lease of the Pier

- 3.1 As referred to above the Council granted a 125 year lease of the Town Pier to Q Breweries Ltd in 2005. The nominal rent, £3,000 pa, reflected the cost of the works they had undertaken to bring the pier into use and also the ongoing maintenance costs of the pier which the tenant was responsible for.
- 3.2 The lease was assigned to Culinary Solutions UK Ltd in 2009 by the administrators for Q Breweries Ltd.
- 3.3 The council successfully forfeited the lease in 2019. This has provided an opportunity to reconsider the future of the Town Pier and Pontoon as given the Town Pier provides the only pedestrian access to the pontoon and they share electricity and water supplies it is preferable for both assets to be held in one ownership to avoid any conflicts / disputes in the future.

### 4. Context

- 4.1 The Local Plan includes a number of references to the river:
  - 'by the end of the plan period, it will have built upon its strengths as a commercial centre and heritage riverside town to establish itself as a dynamic and desirable place to live and work and be a focus for shopping, leisure, service provision, culture and tourism.'
  - 'Development proposals facilitating the expansion of river-related employment will be supported, particularly where these involve the use of the river for transport and / or provide specialist training or other facilities intended to support the continued use of the River Thames as a major commercial waterway.'
  - 'The Council will support proposals which facilitate the use of the River Thames for passenger transport and enable cruise liners to visit the Borough.'
- 4.2 There were also a significant number of river related comments as part of the Corporate Plan consultation which led to the formation of the following commitments / pledge within the plan:
  - Enhance the vibrancy of the Gravesham economy: deliver a programme of strategic regeneration schemes, supported by an effective Town Centre team.
  - Raise Gravesham's economic profile: develop business and transport infrastructure and improve local land usage through a diversified commercial premises portfolio.
  - Promote Gravesham's arts and heritage: support local groups in their community reach and expand the visitor economy.
  - 'Showcase the very best of Gravesham, including our integral relationship with the River Thames'.
- 4.3 The proposed sale of Town Pier and Pontoon helps meet those Local Plan and Corporate Plan aspirations. The proposed sale presents new opportunities to rejuvenate and safeguard the future of this important community asset and

redirect funding currently used for its upkeep to help provide essential services for the residents of the Borough.

- 4.4 In conjunction with the above planning officers are investigating options for the provision of more public access to the river.

## 5. Heads of Terms and related matters

- 5.1 Key points of the Heads of Terms are as follows:

5.1.1 Tilbury Ferry Service – GBC has included safeguards within the transfer to allow the Gravesend / Tilbury Ferry Service to continue on a sustainable footing. KCC have been made aware of the safeguards being included in respect of the Gravesend / Tilbury Ferry Service and have raised no concerns to date.

5.1.2 Public access – safeguards are being sought so that public access to the end of the Pier will be allowed to continue.

5.1.3 In addition a buy back option has been included in the transfer so that in the event that Thames Clippers wish to dispose of the pier and pontoon in the next five years the Council has the right of first refusal to purchase it back.

5.1.4 The construction of the pontoon was partly funded by contributions from other organisations as follows:

<b>Contributor</b>	<b>Amount</b>
Gravesham Borough Council	£1,066,799
Kent County Council	£ 856,480
Interreg	£ 220,951
SEEDA	£ 50,000

5.1.5 No records relating to KCC's contribution have been found but KCC officers have been made aware of the Council's plans to dispose of the pontoon and the safeguards that are being put in place in respect of the Tilbury-Gravesend ferry.

5.1.6 Conditions relating to the Interreg funding are linked to the Department's view of the useful economic life of the asset and the proposed use. In this case as the current use will continue it is considered that the Department just needs to be notified. Two e-mails have been sent seeking details of what information they require in this respect.

5.1.7 Nothing within the SEEDA grant agreement suggested that a disposal would trigger a repayment of the grant and further SEEDA only required records to be kept for six years.

## 6. Valuation

- 6.1 A valuation of the Council's freehold interest in the Town Pier and Pontoon has been obtained from Vail Williams in support of the sale. The Council has a legal obligation to demonstrate that it obtains best consideration as regards sales (with

certain exceptions not relevant here) and the independent valuation confirms that the sale price represents this.

## **7. Financial considerations**

### **7.1 Income and expenditure**

7.1.1 Actual income received for the pier and pontoon (2016/17 to 2020/21) has amounted to £35,970, compared to actual revenue costs incurred over the same period being £530,360. Revenue costs are expected to increase over time.

7.1.2 Capital expenditure from 2016/17 to date has amounted to £57,580. Capital costs are expected to increase over time.

### **7.2 Impact of the sale on revenue, capital and reserve budgets**

7.2.1 The financial impacts of the sale to the council, would result in savings being made to the revenue budget, a capital receipt and a re-direction of the Town Pier and Pontoon reserve balance as outlined below:

7.2.2 Revenue – across the current Medium Term Financial Plan (2022/23 – 2030/31) there is budgetary provision to cover ongoing revenue costs such as insurance, repairs and maintenance and other premises costs. Revenue savings resulting from the sale would be in the region of £900,000, giving an average saving of £100,000 pa.

7.2.3 Capital – the sale would result in a capital receipt. This will enhance the council's capital resources available to support the wider capital programme within the Capital Strategy.

7.2.4 Reserve – the Town Pier Pontoon Reserve is projected to have a balance of £135,980 as at 31<sup>st</sup> March 2022. Should the sale go ahead the balance in the reserve would no longer be needed and would be re-directed to the Climate Change Reserve and utilised to support the delivery of actions underpinning the council's Climate Change Strategy. This would be reported as part of the annual review of working balances and reserves pending consideration of this Cabinet item, and reported to Cabinet in late January 2022.

## **8. Risks and opportunities**

8.1 Apart from costs key risks going forward if the Council were to retain ownership of these assets are:

8.1.1 the availability of an operator to run the pontoon. The management contract has attracted limited interest when it has been advertised previously and as such there is a risk that in the future no bids are forthcoming or only at a significantly higher fee than currently paid.

8.1.2 Use of the Town Pier. The restaurant is only likely to attract interest from the local market with limited financial standing – to put this in context both previous operations ended in failure. It is also likely that any legally represented potential tenant would seek to have their contribution towards the repair and maintenance costs of the Town Pier capped, not only because of the financial risks in respect of such costs but also because the

use of the walkway is shared. This would therefore leave the Council with a residual financial liability.

8.1.3 Operational life and maintenance – the pontoon was designed for an operational life of 50 years with major maintenance of circa £225,000 required every 15 to 20 years, with more minor maintenance required in the intervening years. As such retention of the pontoon will require a significant financial outlay over its lifespan in addition to the cost of maintaining the Town Pier.

8.2 As regards opportunities the Council has a long held aspiration to facilitate local river transport and a disposal to Thames Clippers, who have been running successful trials, would facilitate this. Thames Clipper will need to make a significant financial outlay to facilitate this for which they require freehold ownership of the Town Pier and Pontoon.

8.3 A risks and opportunities matrix relating to the proposed sale is also attached.

## **9. Supporting documentation**

9.1 Thames Clippers have also provided information in respect of the trials they have been running to and from London.

## **10. Background Papers**

10.1 There are no additional background papers relating to this report.

IMPLICATIONS	APPENDIX 1
<b>Legal</b>	<p>Annex 1 of the Constitution sets out that Cabinet has responsibility for the strategic and operational management of all of the Council's current and future resources of land, buildings, finance, personnel and other assets, including the use of Council-owned land declared surplus to operational requirements.</p> <p>Given the unusual and complex nature of the disposal the Council has appointed Trowers &amp; Hamlin to advise it on all aspects of the transaction.</p>
<b>Finance and Value for Money</b>	<p>Across the life of the Medium Term Financial Plan from 2022/23 to 2030/31 the revenue savings resulting from the disposal of the Town Pier and Pontoon as described in the report would be around £900k, i.e. an average of £100k pa. These relate primarily to insurance, repairs and maintenance and other premises-related costs. Other financial considerations are detailed within the body of the report.</p>
<b>Risk Assessment</b>	<p>Contained within the body of the report.</p>
<b>Data Protection Impact Assessment</b>	<p><i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i></p> <p>a. Does the project/change being recommended through this paper involve the processing of <a href="#">personal data</a> or <a href="#">special category data</a> or <a href="#">criminal offence data</a>? A definition of each type of data can be found on the Information Commissioner's Office website via the above links.</p> <p>b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice? N/A</p> <p>c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at <a href="mailto:gdpr@medway.gov.uk">gdpr@medway.gov.uk</a>. N/A</p>
<b>Equality Impact Assessment</b>	<p>a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer. N/A</p> <p>b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer. N/A</p> <p><i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i></p>
<b>Corporate Plan</b>	<p>Links to Corporate Plan Objectives 2 and 3</p>
<b>Climate Change</b>	<p>There are no implications arising from the recommendations contained within this report.</p>
<b>Crime and Disorder</b>	<p>There are no implications arising from the recommendations contained within this report.</p>

<b>Digital and website implications</b>	There are no implications arising from the recommendations contained within this report.
<b>Safeguarding children and vulnerable adults</b>	There are no implications arising from the recommendations contained within this report.