



MINEHEAD TOWN COUNCIL

Task and Finish group to discuss options for the Minehead Town Council Offices

Microsoft Teams meeting on Monday 4th December 2024 at 19:00

Present: Councillors C Palmer, B Hodson, B Hall and B Parker (Operations Manager)

Councillors were provided with an Options paper to guide discussion (see attached). Each option was discussed in more detail and a brief summary of the conclusions is given below.

Option 1; Do nothing: Councillors acknowledged that this was not an option.

Option 2; Buy the offices: The price tag of £130k was questioned (in June 2020 it was £85k). Cllrs were unsure of the risks associated with owning the freehold.

Option 3, Buy the whole building: The value of £625k was questioned and concerns were raised regarding the risk of purchasing the whole property including the responsibility and costs associated with the upkeep of the residential properties that came with it. That, and the potential complications around a loan, mean that it was not considered to be an appropriate option at this stage.

Option 4; Continue renting the offices: The unknown situation with Somerset Council could mean that there may be further asset opportunities to explore in the future. An extra year's tenancy would give another year to be more certain on where the land lies with devolution. Councillors discussed that the lease is currently a repair lease and that there may be an opportunity to review the terms.

Option 5; Look for other premises to buy or rent: A vacant business property in town was suggested but no other property in Minehead was available at this time.

Option 6; Delivery partnership: With the current time frames which MTC was working to, and with no obvious partnership available, it was too much of a long-term option to be considered at present.

Option 7; Office staff working from home: Councillors discussed that this could only work as a short-term option if MTC found itself without offices suddenly. It was felt that as a long-term option it should not be considered.

Option 8; Portacabin on MTC-owned land: Councillors decided that this could be a secondary back up plan if MTC were suddenly without offices and that it could work alongside homeworking.

Recommendations:

- 1. Extend the lease for one year and make enquiries about a longer-term rental agreement with a one-way break clause in MTC's favour in the event of new offices being identified.**
- 2. The backup plan in case of emergency would be a combination of home working, depot space and portacabins if necessary. The Summerland Room could act as a short-term customer drop-in centre.**
- 3. The Task and Finish Group to continue to meet to explore and recommend longer term options.**

Ben Parker, Operations Manager



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Options for the Minehead Town Council Offices

1. Summary

The Minehead Town Council offices, located at 3 Summerland Road, provide accessible office space for the Town Clerk and administrative staff, a large meetings space, public access point and storage for documents. The offices are rented from a private landlord on a rolling lease at £10,400pa (£12,480 including VAT). The current lease expires on 29th February 2024. All other Town Council staff are located in the two depots at Mart Road. Public meetings of the Council are held in the Community Centre.

In view of the expiry date of the lease, councillors need to make a decision about the future requirements for and location of the Town Council offices. This paper puts forward a series of options for consideration.

2. Options for change

Option 1: Do nothing

Summary

Allow the lease to end on 29th February and then consider alternative options for renting or buying office space.

Timeline

Very short term solution.

Estimated costs

Unknown but the short notice is likely to make it difficult to negotiate on cost.

Benefits

There is nothing suitable on the market for renting or buying at the moment and something may come up in the next couple of months.

Disadvantages

MTC may be evicted at short notice and with no other options.

Risks

MTC has nowhere for the Town Clerk and administrative staff to work or for storage of equipment and documents.

Option 2: Buy the offices

Summary

Buy the offices, with or without the free hold.

Timeline

The landlord is keen to sell and conveyancing could start immediately.

Estimated costs

Approx. £130k if the freehold is also purchased. This money could be taken from earmarked funds and no borrowing would be required.

Benefits

Everything is already in place and there would be no removal costs. The space is accessible. Central location in the town.

Disadvantages

The offices in their current configuration are not fit for purpose and have problems with damp. Extra money would be needed for repairs and alterations, such as: repairs to damp; creating private space for confidential meetings; dealing with lack of insulation and natural ventilation. The space is not large enough for a council chamber.

Risks

Unknown costs of alterations and repairs. MTC is then the freeholder for the building and would need to work with other residents/tenants. Could be difficult to sell in future.

Option 3: Buy the whole building

Summary

Buy the freehold for the whole building, which comprises: a 2-bed house; a 2-3 bed flat; a 2-bed flat; the MTC offices; a yard; and 3 car parking spaces. The house and larger flat would be sold with vacant possession and there is a tenant in the smaller flat.

Timeline

Conveyancing could start immediately.

Estimated costs

The overall cost would be iro £625k which MTC could not afford without a loan of £400k+.

Benefits

MTC could expand into the other parts of the building to create more office space or a council chamber. No removal costs. Central location.

Disadvantages

All disadvantages as listed above for Option 2.

Complications and staff time required if MTC becomes a landlord for three properties and external areas.

MTC could not afford this option without taking out a loan. A fixed rate loan at this time, with Public Works Loan Board (PWLb), would be at 5+% for the duration of the loan. Variable rate loans are possible but higher risk and harder to budget for. Any loan would be subject to consultation with the community and borrowing £400k+ at the moment, particularly in view of devolution, might be considered unacceptable.

Risks

MTC would become landlord for the other flats and would be dealing with tenancies, repairs etc. which could be costly and time consuming. Could be difficult to sell in future. Loan repayments would be high (fixed) or unknown (variable) and will require future rises in the precept to keep up.

Option 4: Continue renting the offices

Summary

Renew the rolling lease for 1 year or commit to a 5-year fixed rental agreement.

Timeline

Legal work can start immediately to extend the lease from 29th February 2024.

Estimated costs

If MTC signs up to a 5-year lease the owners would fix this at the current cost for the duration.

Benefits

MTC would not need to borrow money or use reserves.

Another 1-year lease gives time to look at other options as part of a phased approach to identify a long-term solution.

A 5-year fixed price lease makes it easy to budget and would mean the business would not be affected as part of a potential sale to a third party.

Disadvantages

MTC continues to pay rent and has no asset.

The landlord has not been cooperative about repairs, such as the damp, so MTC may have to carry out negotiations or spend money.

No alterations to the office space could be made.

Risks

The landlord wants to sell the building and MTC could gain a new landlord or be forced to leave at short notice.

Option 5: Look for other premises to buy or rent

Summary

Find other office space in the town either to rent or to buy.

Timeline

Several months or more to find the right place and set up agreements/complete a sale.

Estimated costs

Town centre buildings are not cheap or suitable for offices so it is likely that a loan would be needed for purchase and for conversion of existing space. Rental would not have the same costs but there would be removal and set-up costs of a new location.

Benefits

May find somewhere with more space for private meeting rooms, Council Chamber and offices.

Disadvantages

There is nowhere suitable for sale or rent at present. Limited possibilities and high costs in town centre locations.

Risks

Lengthy process which would be likely to require an extension to the current lease in the interim.

Option 6: Delivery partnership

Summary

Look for a different way of delivering the service in partnership with other organisations. This could be that the public access point is in the library, museum or TIC, for example, and the administrative functions located elsewhere out of the town centre.

MTC could share an office space with other organisations.

Timeline

Long – MTC has no established partnerships with other town organisations.

Estimated costs

Unknown.

Benefits

Could draw MTC into the community and provide a paradigm shift away from the traditional Town Hall model which is not appropriate in the current financial climate.

Disadvantages

Partnership working requires careful management and all parties have to compromise.

Risks

Financial security of other partners. Compromises required. Long lead time.

Option 7: Office staff working from home

Summary

Town Clerk and administrative staff all work from home with space available to hot desk in the depot when required.

Timeline

Could happen as soon as the lease ends.

Estimated costs

Some costs would be involved to ensure that IT equipment was compatible and home working

allowances would apply. Cost for document storage needed.

Benefits

No overheads for office space. Councillors continue to hold public meetings in the Community Centre.

Disadvantages

Much harder to manage staff and create esprit de corps. Storage for documents would need to be arranged and access for staff would be more difficult. No public access point. No meeting room space.

Risks

Staff could become demoralised or less efficient. MTC's presence in the town would be diminished.

Option 8: Portacabin on MTC-owned land

Summary

Portacabin offices at the depot, compound or Community Centre.

Timeline

Portacabins can be rented at short notice. Planning permission may be required for sites.

Estimated costs

Depends on size of cabin required – awaiting quotes.

Benefits

Portable, short or long-term solutions. Modern portacabins are heated and insulated.

Disadvantages

Plumbing and electrical connections required. Planning permission and public perception on certain areas such as the Community Centre.

Risks

Perceptions of the Town Council. Staff may not feel comfortable lone working in certain locations. Not an MTC asset.