

## **INFORMATION REQUESTED**

Request for the financial and other commercial arrangements between the Castletown Commissioners and the Tenant of The Old Mortuary Barracks Square Castletown including but not limited to the lease the independent rent valuation and the building costs and the repaving cost of Barracks Square which benefits the tenant. The purpose of the request is to establish the financial incentives provided to the tenant which may give an unfair competitive advantage over other hospitality operators in Castletown using ratepayers money.

## **RESPONSE**

Dear,

Thank you for your request for information from Castletown Commissioners under the Freedom of information Act 2015

While our aim is to provide information whenever possible under S30(2)(b), it is considered that disclosure of the information consideration of the lease agreement would, or would be likely to, prejudice the commercial interests of a person (including the public authority holding it).

As Section S30(2)(b) is a qualified exemption, it is subject to a public interest test. The Public interest must be something that is of serious concern and benefit to the public at large.

Factors in favour of disclosure are:

- The need to hold public authorities to account for their stewardship of public resources.

Factors in favour of maintaining an exemption are:

- The economy is sensitive to even small changes in investor confidence and disclosure of such information could lead to more than just a small change in investor confidence in such regeneration projects.
- Where selective disclosure of information could affect future tendering processes for commercial properties in the Commissioners Portfolio

In taking these factors into account, I have determined that the factors in maintaining the exemption outweigh the factors in favour of disclosure.

With regard to the additional points raised in your request;

- A copy of the independent rent valuation on the Old Mortuary is below. (Appendix 1)
- I can confirm that the cost of resurfacing the wider Barracks Square, which includes the outdoor area now leased with the Old Mortuary was £84,246.94. It should be noted that this expenditure was related to long planned environmental improvements to resurface what was the Town Hall car park, in line with the regeneration of the town centre and was not a project specifically relating to the repurposing of the Old Morgue as is suggested in the request.

- Castletown Town Commissioners have also expended £2160.00 in renewing the water supply to the Old Mortuary. Although not wholly related to the work repurpose the building, £6227.50 has been spend on repairs to the party wall between the Barracks Square and the Isle of Man Bank.
- Other Building Costs have been met by the tenant and we are therefore unable to provide you with the information you request.

### **Your right to request a review**

If you are unhappy with this response to your freedom of information request, you may ask us to carry out an internal review of the response, by notifying me by return. We will respond as soon as the review has been concluded.

If you are not satisfied with the result of the review, you then have the right to appeal to the Information Commissioner for a decision on;

1. Whether we have responded to your request for information in accordance with Part 2 of the Freedom of Information Act 2015;
2. Whether we are justified in refusing to give you the information requested. In response to an application for review, the Information Commissioner may, at any time, attempt to resolve a matter by negotiation, conciliation, mediation or another form of alternative dispute resolution and will have regard to any outcome of this in making any subsequent decision. More detailed information on your right to a review can be found on the Information Commissioner's website at [www.inforights.im/](http://www.inforights.im/).

Should you have any queries concerning this matter, please do not hesitate to contact me on 825005. Further information about freedom of information requests can be found at [www.gov.im/foi](http://www.gov.im/foi).

Yours sincerely

H F Mackenzie

Appendix 1.

**From:**

**Sent:** 25 May 2017 17:46

**To:** Castletown Comm Clerk <[clerk@castletown.gov.im](mailto:clerk@castletown.gov.im)>

**Subject:** RE: The Morgue

Dear,

Thank you for the email and attachments, I see from planning online that 17/00319 is pending consideration. Based upon the plans provided the approximate Gross Internal floor area to the kitchen

is 230 sqft approx and the Restaurant is 314 sqft approx with the benefit of outside seating a single car parking space with delivery parking.

This is not a pure high street location but is in the centre of the town with good accessibility and a potential to be an attractive and niche environment. Restaurant take away tend to be in extreme trading positions. A successful unique and attractive occupier can generate super profits and can sometimes pay in excess of retail however failures and a lack of profit do occur more frequently than retail unit. In the absence of a successful restaurant take away the retail potential is limited and the value almost reverts to storage.

The rate for smaller units in the retail centre of Castle town (Malew Arbory Castle Street) is in the region £15 -£16 per sqft which would equate in the region of £8,500 pa although I would point out once the size is excess of 500 sqft there is a diminishing return or the valuation should be Zoned into 20ft depths to reflect this.

In considering the rental value you must also consider the where following liabilities and the responsibility are placed :-

- 1.Length of Lease agreed.
- 2.Strength of covenant Limited Company, Personal Guarantee or Deposit
- 3.Frequency of rent review basis and ease of calculation.
- 4.Repairing and insuring liability
- 5.Reinstatement of premises and dilapidations.
- 6.Does the kitchen fit out become Landlords Fixtures and fittings which must be maintained but the Landlords concedes a rent free in lieu.

I would therefore suggest that you may wish to offer a low start rental with a review after 3 years to the greater of RPI or Market Value which would be initially in the region of £7,000 per annum I would advise you as storage the value would be less than £4,000 per annum. A longterm tenant of quality could provide good rental growth and continuity of income but the tenant selection is almost as important as the initial rent agreed

I can provide a full RICS Market value if requested with the appropriate inspections and due diligence I hope this is of guidance for your current purposes.

Please do not hesitate to call me to discuss if you require further clarification.

Kind regards

**RICS Registered Valuer**  
**Registered Agent IOM 1975 Estate Agents Act**