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Date: **9 February 2015**
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CABINET

19 FEBRUARY 2015

A meeting of the Cabinet will be held at **7.00 pm on Thursday, 19 February 2015** in the Council Chamber, Council Offices, Cecil Street, Margate, Kent.

Membership:

Councillor Johnston (Chairman); Councillors: Nicholson, Everitt, D Green, E Green and Harrison

A G E N D A

Item
No

Subject

11. **PROJECT MOTORHOUSE** (Pages 1 - 4)

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Project Motorhouse, Ramsgate

To: **Cabinet – 19th February 2014**

Main Portfolio Area: **Cllr Everitt**

By: **Ged Lucas, Interim Community Services Director**

Classification: **Unrestricted**

Ward: **Central Harbour**

Summary: **To report to Cabinet on progress in connection with an Option agreement with Project Motorhouse.**

For Decision

1.0 Introduction and Background

- 1.1 On 22nd September 2011 Cabinet agreed to enter into an Option agreement with Low Carbon Community Ramsgate, now named Project Motorhouse.
- 1.2 The main aim of Project Motorhouse was to raise funds to renovate West Cliff Hall and Gardens and turn it into a self-sustaining community arts/entertainment complex incorporating an indoor/outdoor theatre, cinema, gallery, shop offices, function room and restaurant.
- 1.3 The Option agreement was completed in October 2013. The agreement is for a two stage option with 12 months to raise funds for the feasibility study and if successful for a further 12 months to raise sufficient funds to stabilise the buildings steel frame.

2.0 The Current Situation

- 2.1 Project Motorhouse have completed the first stage of the Option agreement. The feasibility included structural intrusive investigations about the condition of part of the building and the frame that supports the promenade above.
- 2.2 The surveys show that the condition of the frame and structure is poor; the Council have supported Project Motorhouse to ensure that there are adequate temporary supports in place. As a result of this information Project Motorhouse commissioned a series of reports, to look at the costs to:-
 - 2.2.1 Repair and refurbish the existing structure
 - 2.2.2 Demolish and replace the building on the original footprint and
 - 2.2.3 Infill the site and retain the promenade.
- 2.3 The Charitable ethos and aims of the Project remain to provide a multi-use community venue and to promote sustainable technology in East Kent, but Project Motorhouse have indicated that they would like the Council to consider giving them approval to demolish and replace the building.

- 2.4 The Option agreement gives rights to Project Motorhouse to enter onto the premises as for surveys and viewings. There is no legal interest transferred in the Option agreement, the structural integrity of the premises remains with the Council.
- 2.5 At present the Council and Project Motorhouse are working collaboratively to maintain the structural integrity for the promenade, however the Council have sought initial views from counsel on the options available to the Council.
- 2.6 Counsel's opinion is that the Council need to get independent advice in terms of the condition of the premises and procure the professional advice of a valuer to assist with this matter. It is likely that further support will be required from counsel as the professional reports become available.

3.0 Options

- 3.1 The Council could do nothing and let the Option agreement stand, whereby Project Motorhouse would need to comply with part two of the Option agreement in order to progress their objectives.
- 3.2 The Option agreement provides for dispute resolution and should the parties not agree on the way forward the council may take this option, but this will result in substantial legal costs.
- 3.3 The Council could confirm its continuing support to Project Motorhouse and give authorisation to officers to procure the advice as suggested in 2.6 and report back to Cabinet with the results of this advice for further instruction.

4.0 Corporate Implications

4.1 Financial and VAT

- 4.1.1 Expenditure in relation to Professional Services required will be funded from the Repairs Reserve.
- 4.1.2 VAT advice will need to be sought on any proposed option brought forward for Cabinet Consideration.

4.2 Legal

- 4.2.1 Potential legal issues surrounding the suitability of the Option Agreement with regard to Project Motorhouse's proposals have been identified.
- 4.2.2 Counsel's initial advice regarding these issues has been obtained. In order to complete the advice, Counsel requires a valuation of the property and has also recommended that TDC obtain its own feasibility study to compare to the one supplied by Project Motorhouse.

4.3 Corporate

- 4.3.1 The Option agreement supports the corporate aims of the council, however further information is required to understand the options and risks for the council and this information will be considered in the follow up Cabinet report.

5.4 Equity and Equalities

5.4.1 There are no equity or equalities issues.

6.0 Recommendation(s)

6.1 It is recommended that Cabinet confirm its support to Project Motorhouse and authorise the Head of Economic Development and Asset Management to procure independent advice, including structural report and valuation advice, and provide an update on this matter at Cabinet in April 2015.

7.0 Decision Making Process

7.1 This is a key decision subject to call in.

7.2 This matter will be considered again by Cabinet on 30th April 2015.

Future Meeting if applicable:	Date: 30 April 2014
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Contact Officer:	<i>Edwina Crowley, Head of Economic Development and Asset Management</i>
Reporting to:	<i>Ged Lucas, Interim Community Services Director.</i>

Background Papers

Title	Details of where to access copy
Cabinet - 7th August 2008	TDC Website
Cabinet – 22 September 2011	TDC Website

Corporate Consultation Undertaken

Finance	Nicola Walker, Finance Manager - HRA, Capital & External Funding
Legal	Dawn Cole, Senior Legal Officer

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