
THE FUTURE OF PIERREMONT HALL AND ASSOCIATED PROPERTIES, BROADSTAIRS

To: **Extraordinary Cabinet – 19th February 2015**

Main Portfolio Area: **Financial Services & Estates**

By: **Cllr R Everitt, Cabinet Member for Financial Services & Estates**

Classification: **Unrestricted**

Ward: **Viking**

Summary: **To align the issues relating to the future of Pierremont Hall and to propose the investigation of the disposal of the Hall and the associated buildings**

For Decision

1.0 Introduction and Background

- 1.1 Members will be aware of the issues arising from the deteriorating condition of Pierremont Hall and the discussions that have been on-going with the Town Council and the other occupants of Pierremont Hall.
- 1.2 The Hall was acquired by Thanet District Council in 1974 from the predecessor Council (this was not the existing Town Council). The Town Council occupy Pierremont Hall as their base on a lease agreement dated 5th January 1999 for a 20 year term which is protected under the Landlord and Tenant Act 1954.
- 1.3 Over a period of years serious problems with the building have been raised including the physical condition, heating and electrics. Because of these issues and the cost of putting right the problems, officers and members of the Council have been in discussions with other occupants of the premises and the Town Council about what future options there are for Pierremont Hall.

2.0 The Current Situation

- 2.1 Pierremont Hall and surrounding properties, shown on annex 1, are held on the investment portfolio as required by the council's accountancy rules. What this means is that the property needs to provide a net income to the council, but at present the income received does not cover the costs required to maintain it.
- 2.2 Therefore, the Council needs to look at the options for these premises and under the Localism Act 2011, the Town Council have successfully secured a Community Right to Bid on Pierremont Hall. This means that if Thanet Council decide to sell the property a moratorium of the sale of up to six months will be invoked, giving the Town Council the opportunity to acquire the asset on the open market.
- 2.3 The Town Council have also secured a right to bid on Retort House, Broadstairs and are currently exploring the potential of acquiring and refurbishing this building for a

range of community facilities. Cabinet agreed to progress these discussions in the Cabinet paper of 19th June 2014.

- 2.4 It is believed that the Town Council is in possession of funds to invest for such facilities, potentially supported by a S106 agreement for Community Facilities in Broadstairs administered by Thanet District Council, but it may not be possible to purchase, improve and maintain both buildings.
- 2.5 Thanet District Council are keen to enter into negotiations with the Town Council to establish whether they wish to take over and improve the Pierremont Hall properties.
- 2.6 It is proposed that arising from the continued deterioration of the properties, the council commence to progress Pierremont Hall and properties shown on annex 1, to be taken through the council's formal adopted Asset Disposal Process.
- 2.7 This will enable the negotiations to continue with the Town Council to establish whether they have sufficient resources to acquire the properties.

3.0 Options

- 3.1 To enter into discussions with the Town Council in connection with the community right to bid on Pierremont Hall and properties, taken forward through the council's disposal process to offer on a freehold sale within the process and timescales imposed by the Localism Act 2011

4.0 Corporate Implications

4.1 Financial and VAT

- 4.1.1 When taking into account the operating cost of this asset a small surplus is generated of £12k, this will need to be mitigated within the existing portfolio in order to avoid an unbudgeted impact on the 2015/16 Budget as agreed by Council on 5th February 2015. As identified in 2.2 above, the current surplus is not sufficient enough to justify the scale of investment required.
- 4.1.2 With regards to VAT this proposal may well have implications and as a result will have an impact on Partial Exemption. As this disposal progresses and the nature of disposal reviewed, VAT advice will be required in order to gauge the overall impact.

4.2 Legal

- 4.2.1 Any decision for the disposal of the property would need to take account of any subsisting rights for occupation of the buildings.

4.3 Corporate

- 4.3.1 The report has been prepared having regard to the Adopted Disposal Process approved by Cabinet on the 19th November 2014.

4.4 Equity and Equalities

- 4.4.1 The Council's equality duty has been assessed in relation to the elements of this report, but it is not considered that these will compromise the rights and requirements of any group in relation to the adoption of the recommendation.

5.0 Recommendation(s)

- 5.1 To agree to take Pierremont Hall and properties, shown on annex 1, through the asset disposal process.
- 5.2 That following agreement from Cabinet to progress through the asset disposal process negotiations continue with the Town Council as part of their Community Right to Bid, following the timeframe and process documented in the Localism Act 2011.
- 5.3 That should the town council decide not to proceed within the timescales imposed under the Act then cabinet will be asked to consider progressing to a freehold sale on the open market.

7.0 Decision Making Process

- 7.1 This is a key decision which can be taken by Cabinet.

8.0 Reason(s) for Urgency

- 8.1 To delay negotiations will result in Thanet Council continuing to incur void and maintenance costs that are not factored into the medium term financial plan.

Contact Officer:	<i>Edwina Crowley, Head of Economic Development and Asset Management</i>
Reporting to:	<i>Ged Lucas, Interim Director of Community Services</i>

Annex List

Annex 1	Plan showing Pierremont Hall and properties
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Background Papers

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Corporate Consultation Undertaken

Finance	<i>Nicola Walker</i>
Legal	<i>Steven Boyle, Legal Services Manager</i>