

TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

01 April 2009

Report of the Director of Planning Transport and Leisure

Part 1- Public

Executive Non Key Decisions

1 HADLOW TOWER – RESTORATION PROJECT – UPDATE

Summary

To report on progress with the restoration of Hadlow Tower and to seek agreement to extend the loan guarantee to Vivat Trust for another two years.

1.1 Progress

1.1.1 As most Members will be aware the Council is pursuing the restoration of Hadlow Tower in partnership with the Vivat Trust, the intention being that the Council will acquire the Tower compulsorily and transfer it immediately to the ownership of the Vivat Trust which will undertake the restoration with the aid of a substantial Heritage Lottery Fund grant.

1.1.2 The Compulsory Purchase Order (CPO) was confirmed by the Secretary of State on 17 March 2008 following a Public Inquiry. The Council has 3 years from that date within which to take possession of the building. During that time the Vivat Trust needs to sufficiently close the funding gap by raising contributions from elsewhere to ensure that the restoration project is viable and that they are ready and able to commence work. Only then will the building be acquired by the Council and transferred to the Vivat Trust. Over the past 12 months Vivat Trust has been pursuing a number of funding and other avenues to enable it to take on the building and start the restoration project. It has indicated that it is keen to do so this year if at all possible.

1.2 Loan Guarantee

1.2.1 Whilst the Vivat Trust has access to substantial grant assistance from the Heritage Lottery Fund it also required a loan of £100,000 from the Architectural Heritage Fund in order to provide it with working capital. In April 2005 the Council undertook to guarantee this loan for an initial period of two years. This was extended for a further 2 year period in June 2007. I understand that Vivat Trust has not yet sought to draw down funds from the loan.

1.2.2 Partly as a result of the delays in progressing the project the Vivat Trust now needs to extend the loan period by a further two years. I understand the

Architectural Heritage Fund is happy to do this provided the Borough Council is likewise prepared to extend its guarantee period. It would seem sensible to extend the guarantee until the CPO expires on 16 March 2011.

1.3 Legal Implications

- 1.3.1 Having considered all options, the Council has agreed that the Compulsory acquisition of the Tower is the only way to secure its restoration. Such acquisition is being pursued under Section 47 of the Planning (Listed Buildings and Conservation Areas) Act 1990.

1.4 Financial and Value for Money Considerations

- 1.4.1 The Council has previously considered at length the cost and balance of financial risks involved in this project.

1.5 Risk Assessment

- 1.5.1 The Director of Finance has carried out a financial appraisal of the Vivat Trust using the latest information available; these show no change from those undertaken in 2007. If the Vivat Trust were no longer a going concern the loan would have to be met from the Council's reserves. However, given the high profile of this project in the area and the potential costs that the Council could face if the project was not to go ahead the Director of Finance considers this to be an acceptable risk.
- 1.5.2 The Director of Finance has recorded this potential liability within the Council's Statement of Accounts under the heading of Contingent Liabilities.

1.6 Recommendations

- 1.6.1 Cabinet notes the progress with the restoration project
- 1.6.2 Cabinet agrees to the Council extending its guarantee of the loan of £100,000 to Vivat Trust from the Architectural Heritage Fund until 16 March 2011.

Background papers:

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Nil

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Director of Planning Transport and Leisure