

Acle Parish Council

Extraordinary Meeting Date: Monday, 13th May 2016

Venue: Methodist Church, Bridewell Lane, Acle

Time: 6.00 p.m.

PUBLIC FORUM:

There were two members of the public present. Support was expressed for the proposed purchase of the Barclays Bank building.

PRESENT:

Tony Hemmingway – Chairman

Barry Coveley – Vice-chairman

Sally Aldridge, Annie Bassham, Angela Bishop, David Burnett, Jackie Clover, Roger Jay, Julia Line, Jamie Pizey and Ellen Thompson and Parish Clerk Pauline James

1. APOLOGIES

None

2. DECLARATIONS OF INTEREST IN ITEMS ON THE AGENDA AND REQUESTS FOR DISPENSATIONS

None

3. PURCHASE OF THE FREEHOLD AND RESIDENTIAL GROUND RENT OF THE BARCLAYS BANK BUILDING IN THE STREET

Tony Hemmingway explained that he had noticed the auction notice on the bank building on Sunday, 8th May. The clerk was away for the weekend but had found out on Monday, 9th May that the auction was to take place on 16th May, only a week away. Given that the Parish Council had, on several occasions, expressed an interest in buying the bank building and had, at the April meeting, expressed disappointment that the building appeared to have been sold without notice, it was decided to call an extraordinary meeting for the first legally possible date, which was 13th May. It was also decided to request that the building and the guide price be considered by a commercial surveyor and that the lease documents be considered by a solicitor in advance of this meeting in order to inform the Parish Council meeting.

Andy Evans and Nick Dunn of Brown & Co were appointed to consider the price for the building and would do telephone bidding for the auction if required. The report was circulated in the afternoon of 13th May and was available as a paper copy at the meeting.

Carina Cobbold and Lynne Morris of Mills & Reeve were appointed to review the title documents and the lease documents. The report was circulated in the afternoon of 13th May and was available as a paper copy at the meeting.

A copy of the current lease for Barclays Bank was circulated to the councillors prior to the meeting. The current rent is £25,500 per annum. The next rent review is June 2019. The lease

expires in May 2027 although the tenant has a break clause in May 2022. The two flats on the first floor have been let on 125 year leases at a peppercorn rent, but are responsible for contributing towards the upkeep of the building and towards the insurance.

The guide price of £350,000 - £375,000 gives a return of 7.14% to 6.8% before purchaser's costs.

Details have been provided from the vendor's agents of other similar properties which have achieved sale prices during 2016 which have rents which give a return of 5.8% to 6.9%.

The councillors agreed that the positives of the possible purchase were:

- Good return on capital compared with current bank interest rates
- Importance of the car park in the village
- Possible community use for the building if the tenants were to leave
- Use of the site as a while for community use
- Prime location
- Protection of the site from developers
- Wide range of options in the future

The disadvantages of the purchase were:

- Risk of the various long-term unknowns – tenants, property prices etc
- Lack of a full structural survey
- The fact that the flats had been disposed of for 125 years
- Unknown maintenance costs, including concerns about the parts with a flat roof
- There is a charge on the property for the current owners which would need to be discharged

At this point the councillors agreed to vote on the purchase of the building in principle and it was agreed by 7 in favour, with 4 abstentions, to proceed with making an offer in the auction. David Burnett asked for it to be minuted that he felt it was inadvisable to proceed with the purchase because of the lack of information available and the short timescale to consider it properly.

The public was excluded at this point due to the sensitive nature of the price to be decided.

After some discussion it was agreed by 8 councillors to set an upper limit of £431,250. An alternative proposal to set a limit of £500,000 in order to secure the purchase received the support of 2 councillors.

It was noted that if the Parish Council is successful in acquiring the building, it needs to be insured immediately. The clerk will contact the Council's insurers.

There being no further business the meeting was closed at 7.05pm

Signed.....
Chairman

Dated: 23rd May 2016