

from Alan Smith

subject Rate relief - Observer news item July 15th

18/07/2011 11:3

to cllr.matthew.lock@hastings.gov.uk <cllr.matthew.lock@hastings.gov.uk>, cllr.matthewj.lock@hastings.gov.uk <cllr.matthewj.lock@hastings.gov.uk>

other actions

First of all my apologies for not knowing which one of you was commenting and effectively 'challenging' SOS to comment. Anyway, some facts that you may or may not be aware of.

If you look at the attached a copy of the Deed of Covenant between the site owner HBC and Gallerium Enterprise, the tenant, you will see that it is written into the 99 year lease, of which the deed forms a part, that the gallery operation will not be charged local rates – Page 3 – Recitals - C. It is also interesting to note the very careful wording by some clever lawyers employed by someone – Page 4 – Business Rates. They don't have to apply for rate relief, they have it by right as per the signed and legal documents.

In a response to a question from SOS, HBC confirmed an earlier (2008) estimate that the rate relief was worth approximately £60-70K per year at current values, not the £13-18K mentioned in the news item, unless of course you were being 'clever' with the facts and only referring to a pro rata charge on the basis that Gallerium may only be notionally liable from when the gallery opens to the public – whenever that might eventually be? See copied emails below

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Within the Report to Cabinet of 7th August 2008 -

5.2.2 "The level of net income lost from ending the use as car and coach park will be in the order of £130K (£34K due to HBC and £96K to Foreshore Trust)"

5.2.3 "The Council would have to agree that Jerwood could operate without the payment of business rates. Initial contact with the District Valuer has indicated a cost of between £60-70K may be appropriate".

From: Neil Dart <NDart@hastings.gov.uk>

To:

Cc: Kevin Boorman <KBoorman@hastings.gov.uk>

Sent: Mon, 29 November, 2010 20:39:21

Subject: RE: The Stade - loss of income

We currently have no reasons to substantially change the figures in the August 2008 Cabinet report.

Regards

Neil Dart

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The Jerwood Foundation is neither the leaseholder nor the operating company of the Jerwood Gallery. The tenant, Gallerium Enterprise, is an entity registered in Liechtenstein (see the documents) and not a local charity.

Although not a part of the news item, looking forward, go to clause 4.26 in the lease document. We wonder when the operator will try and wriggle out of this undertaking, like the original undertaking of free entry for all.

Naturally we have already appraised the Observer of the above information – but of course Richard Morris has now departed (deserted?) for Eastbourne.

Regards, Alan Smith
SOS secretary

01424 [redacted] – Daytime office