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Date: *22 October 2009*

NOTIFICATION OF PORTFOLIO HOLDER DECISION

On 22 October 2009, Cllr C Wise, the Finance and Efficiency Portfolio Holder made the following decision. Any member of the Council, who is not a Portfolio Holder, who considers that this decision should be reviewed should give notice to the Monitoring Officer (Grainne O'Rourke) (in writing or by e-mail) to be received **ON OR BY 5.15PM ON THURSDAY, 29 OCTOBER 2009.**

Details of the documents the Portfolio Holder considered are attached.

DECISION:

Provision of surety for a lease relating to Ringwood Meeting House

REASON(S):

As detailed in the report.

ANY ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:

Not to act as surety: rejected on the basis that clear need has been demonstrated.

CONFLICTS OF INTEREST DECLARED:

None.

For Further Information Please Contact:

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FINANCE AND EFFICIENCY PORTFOLIO HOLDER DECISION: OCTOBER 2009

PROVISION OF SURETY FOR A LEASE RELATING TO RINGWOOD MEETING HOUSE.

ITEM FOR DECISION

The Trustees of Ringwood Meeting House are seeking to renew their lease of the Ringwood Meeting House. In order to complete the lease, it is a requirement of the intermediary landlord that the District continue its role of providing surety and at an increased level.

CONTEXT

The Council own the Freehold of the Ringwood Meeting House (a Grade 2* Listed building in the Furlong at Ringwood). It has for many years successfully leased the building to the Trust through a head lease until 2010 held by the operator of the retail development which it is located within, currently Sainsbury's.

The Trust has sought to renew the lease at this time to facilitate its bid to the Lottery for funding to support a major refurbishment. The Council has made a provision of £50,000 for this scheme and is supporting the refurbishment of the Meeting House for five main reasons:

- Conservation of an extremely significant building in a way which respects the nature of the building and also improves its capacity to deliver services.
- Improvement of the Trust's function of interpreting the building, its past uses and the wider story of non-conformist movements.
- Development of the activities and events which relate the above stories.
- Improvement of the Trust's function of providing training and development for volunteers to delivery services in the building and beyond to promulgate the purposes of the Trust.
- A strengthening of the partnerships with which the Trust engages so as to develop the governance of and delivery by, the Trust through those connections.

THE LEASE AND SURETY

A lease to the Trust has been in place for some years, with a surety from the Council of up to £20,000. In the negotiation of the extension to the lease, the requirement has been made by Sainsbury's for an uplift in the surety from up to £20,000 to up to £30,000.

The surety is an obligation on NFDC to meet the requirements placed on the Trust under the lease, for example should they default on either rent or maintaining the building, up to the value of the surety (i.e. now up to £30,000).

Agreement to the surety is the last element of the lease arrangement which is required before completion. It is becoming all the more important as the Trust has now passed Stage 1 of the Lottery process.

It is understandable that Sainsbury's would seek a surety because:

- a) a Trust is running the building
- b) it is an old, 2* listed building
- c) Under the head lease, Sainsbury would have ultimate responsibility to repair, if the trust failed to do so.

PROPOSED DECISION

That the Council support the lease of Ringwood Meeting House from Sainsbury's to Ringwood Meeting House Trust and act as surety in the sum of up to £30,000 in order to secure this arrangement.

REASONS

It is important that the legal arrangements are clear and agreed. There is an increase in value of the obligation for the Council under the lease and an opportunity to confirm the Council's support for the lease arrangement. Further, the level of risk in facing a claim is modest:

- o The Trust is well founded, has funds in the bank and is progressing well with a Lottery scheme which has significant capital value.
- o The rent is a peppercorn.
- o The Council has £50,000 in its capital programme for works to this building.

BUDGET IMPLICATIONS

The new surety continues the current arrangement but make provision for this to be at a level of up to £30,000 rather than the existing sum of up to £20,000. As this is a sum that will only be drawn upon in the event of the Trust failing to act, it is a sum that would be addressed at the time, rather than making a specific budgetary provision.

CONSULTATION INPUT

Consultation has been undertaken with the Portfolio Holder for Leisure Culture and Youth Matters and also Local Members. They all are supportive of the proposal.

ANY ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

Not to act as surety: rejected on the basis that clear need has been demonstrated.

CONFLICTS OF INTEREST DECLARED

No conflicts of interest were declared.

SIGNED: CLLR C WISE

Cllr Colin Wise,
Portfolio Holder Finance and Efficiency

DATE: 22/10/09

2009

Date on which notice given of this Decision - 22 October 2009

Last date for call-in - 29 October 2009