

Church Fenton Parish Council

Minutes of the Extraordinary Meeting of Church Fenton Parish Council held on Thursday 22nd February 2018

Present: Cllr Sarah Chester; Cllr Jo Mason; Cllr Andrew Mason; Cllr Craig Blakey; Cllr Stuart Spensley, Cllr Rebecca Hunt, Cllr Ross Higham

Jeremy Sherlock (Clerk)

NYCC Cllr Andrew Lee

40 members of the public

108. Apologies, Declarations, and Dispensations

Apologies - SDC Cllrs Musgrave and Ellis

109. Public Session

A number of questions were raised regarding the proposed acquisition of the White Horse:

- Total cost – the Business Plan showed £500K
- Fees – these are included in the above
- Refurbishment – included in the Business Plan at £100-£130K
- Other interested parties – the premises have been on the market for over 12 months, initially as leasehold on the basis of a 20 year lease and more recently freehold and the property is still vacant
- Professional advice – the Pub Group advised that they can offer the services of a project manager. In addition the Chair has arranged an independent review of the Business Plan by a professional lender

110. Church Fenton Community Hub

A detailed Business Plan had been circulated which proposed the acquisition of the White Horse by the Parish Council. It included the following main principles:

- Total loan requirement of £500K, with £350K the quoted sale price, £100K- £130K for refurbishment, and the balance or fees/ stamp duty etc.
- Use of a Public Works Loan would give a borrowing cost of £2,020 per month
- The premises would be leased to a pub/ restaurant operator to cover the costs and generate a small surplus, meaning that there would be no precept requirement
- Acquisition would ensure that the building remained as a community hub, it would retain the street scene and ensure that the car park remained available for use by school parents.

This meeting had been arranged to consider whether the Council should submit an application for borrowing powers. This would not commit the Council to progressing the purchase. Timescales short as the Asset of Community Value Moratorium period expires on 24th April, and the agent for the vendors has indicated that the site is likely to be sold to another party if exchange does not take place before that date.

The following issues were discussed:

Risk to the Council – the Council risk can be mitigated in that it would be acquiring a saleable asset, with the potential of taking out insurance to cover short term loss of income. The refurbishment costs means that the Council may not be initially able to fully cover the building value through the loan. There is a need to take valuation advice before a final decision. The premises has recently closed as a pub which raises questions of viability. However due to the loan it will be possible to offer a lower rent which increases viability. Should the venture fail in the short term there may be a need to use precept income to cover losses.

Structure – the Community Hub group will need to set up an arms length structure along the lines of the community shop. They are currently looking at a Community Benefit Society.

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Other uses – the commercial lease would allow the loan costs to be covered. There would be space available on the 1st floor for other uses which can be developed further once the building is secured.

Finance – there are concerns about cash flow in Year 1 in that the building would not generate rental income until refurbishment is complete, but the rent would need to be paid. Any delay, or finding of additional problems once works commence creates additional risk. As these works the Council would need to employ a professional advisor to manage costs and timescales. The group also said that they will explore the potential for other financial support to help cover this Year 1 issue. Questions had been raised about the use of alternative sources of finance. However the use of a Public Works Loan is cheaper and easier with timescales being very short.

Tenant – the tenant has prepared a detailed business plan. This is commercially confidential as they would use the model in an alternative location should this venture fail. The tenant will need to invest in the fixtures and fittings (c£80K). Questions were raised about proof of funds which would need to be addressed before a final decision was taken on acquisition.

Other options – there was some discussions about acquiring the building and considering other options. However it was noted that the borrowing power would only be granted for a specific proposal supported by a Business Plan.

Councillors confirmed that they supported the retention of the building and therefore the need to submit a borrowing powers application. They recognised that further careful consideration was needed before a final decision was taken to proceed, including additional community consultation.

Resolved that:

- 1. The Council seek the approval of the Secretary of State for Communities to apply for a PWLB loan of up to £510,000 for up to 50 years for the purchase and refurbishment of the White Horse for the benefit of the community**
- 2. A budget of up to £1,000 be approved for the District Valuer to provide a pre and post refurbishment valuation**
- 3. Further public consultation be undertaken prior to a final Council decision on the acquisition and refurbishment**

111. Date and time of next meeting – Thursday 15th March 2018 at 7:30 at the Village Hall, Main Street, Church Fenton

Meeting closed at 9:10pm

Jeremy Sherlock; Clerk; clerk@church-fenton.net