



The purpose of this report is to record the latest developments in connection with the development of Salisbury Gardens and to propose that Members agree to the inclusion of Phase 2 in the initial building works programme.

No. DETAIL

1) PREAMBLE

- a) At its meeting of 11 February 2014 the Isle of Wight Council's (IoWC) Cabinet agreed to the lease of Salisbury Gardens to Ventnor Town Council as the Leader informed the Town Clerk by email:
I am pleased to confirm that the Cabinet of the Isle of Wight Council has tonight passed a resolution to lease the building and land to Ventnor Town Council as agreed within the terms of the report. I am pleased to say that the Administration does so in the true spirit of Localism.
- b) The call-in of this decision by the Scrutiny Committee has delayed the implementation of the building programme by a month but, following the meeting of the Scrutiny Committee on Thursday 6 March, it is now clear to proceed.
- c) The Town Council agreed an application to the Department for Communities and Local Government for Borrowing Approval up to £150k towards these works at its meeting of 9 September 2013 and this was approved in a letter from the Department dated 1 October 2013.
- d) The Town Council approved, at its meeting of 9 December 2013, the implementation of Phase 1 of the building involving its three upper floor on the basis of a commitment of not more than £150k to be determined as funding applications clarified.

2) FUNDING

- a) A Press Release from HM Treasury and the Department for Communities and Local Government on Friday 7 March confirmed that the application to the Coastal Communities Fund for a grant of £95,000 towards the establishment of the Ventnor Enterprise Centre has been successful.
- b) The application to the Reaching Communities Fund, including a request for a £50k contribution to the refurbishment works on the lower ground floor that will form the new Community Hub, has not been approved to go forward to a Stage II application.
- c) Although the funding would have been welcome, the Big Lottery's turn-round time for Stage II applications to this fund is a minimum of 17 weeks and, given the three weeks necessary to complete the application, the outcome would not have been known until August and may still have been negative.
- d) There is ample room in the Borrowing Approval to fund the lower ground floor works and, consequently, it is possible for what was to be Phase 2, to be included in the initial building works programme.

3) BUILDING PROGRAMME

- a) The Specification of Works shows that the building works cost for Phase 1 is a total of £132k – significantly less than the £150 approved in December – and that for Phase 2, the lower ground floor, is a total of £73k.
- b) The combined total of £205k can be provided for by a combination of the £95k Coastal Communities Fund Grant, £100k of borrowing from the Public Works Loan Board at a fixed 4.3% over 25 years and £10k from the 2013/14 underspend.
- c) The loan repayments are fully covered in the cash flow projections for the building's ongoing operations.

4) TELECOMMUNICATIONS

- a) The other expenditure required for the building to realise its potential is high quality telecommunications facilities throughout and, as previously agreed by the Town Council, an appropriate provision has been agreed with Navigate IT.
- b) The powerful LG Ericsson IPECCS300 telephone system with an ISDN30 connection linked to the already present cabling throughout the building will provide users with one DDI (Direct Dial Inward) number with others available by arrangement, voicemail and superfast internet connectivity. The Lower Ground Floor will also have high quality free WiFi coverage of which will also include the Green.
- c) The £15k cost of that installation can be met through a 5-year leasing agreement. But as that adds £1k a year to the cost while the Town Council's accounts will hold £40k more at current year end than the determined level of Reserves, it makes sense to fund the purchase from this source on the basis of an interest free loan repayable from the operational surpluses of Salisbury Gardens over the next 10 years.

5) RECOMMENDATIONS

The Town Council is recommended to:

- i) authorise the inclusion of Phase 2 with Phase 1 for the initial building programme, funded as set out in section 3) of this report;
 - ii) authorise the Town Clerk, advised by Councillor Jim Toogood, to progress and manage the implementation of the extended building programme;
 - iii) fund the purchase of the new telecommunications system from currently held funds to be treated for accounts purposes as an interest free loan to be repaid within 10 years by agreement; and
 - iv) be satisfied that there will be no call on the Precept for funding of the building's operational costs by examination of the detailed cash flow forecasts already considered by the Public Buildings Working Group and seen by the Town Council's Internal Auditor during the private session of this meeting.
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