



The purpose of this report is to provide Members with an update on the latest situation in respect of the development of Salisbury Gardens.

**No. DETAIL**

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**1) INTRODUCTION**

- a) Following a meeting with the Isle of Wight Council's Deputy Director Economy & Environment John Metcalfe on 24 October to discuss Heads of Terms for the proposed Lease Agreement between the two Councils, the expectation is that, subject to Cabinet approval at its meeting of 7 January 2014, the building will be available to the Town Council from 1 February 2014.
  - b) The detailed identification of the works necessary to make the building fit for purpose for its next stage of service to the town has been completed and the Town Council's Public Buildings Working Group is fully involved with all preparations for that.
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**2) HEADS OF TERMS**

- a) Agreement has been reached in principle on all the usual Heads of Terms for a lease with the exception of the determination of an appropriate rent basis.
  - b) The Isle of Wight Council is required to secure two valuations of the building – one by a valuer chosen by them and one by the Town Council – both of which are to be paid for by the Town Council. These are then used by them to determine the related commercial rent level.
  - c) That will form the basis of discussions with the Town Council. Its case for either substantive reductions or a peppercorn rent arrangement will consist of a combination of Social Value considerations, the condition of the building and precedents set elsewhere within the town.
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**3) REFURBISHMENT**

- a) As reported last month, detailed specifications for quotations have been mailed to four island companies with a deadline for the submission of tenders of noon on Thursday 21 November.
  - b) The covering letter included the opportunity for site visits for those companies and their sub-contractors to inspect the detail of the required works and several such visits have been facilitated.
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**4) REACHING COMMUNITIES**

- a) An Outline Submission application to the Big Lottery's Reaching Communities funding stream for the basement works and equipment required to provide a base for community and economic development.
  - b) This funding stream allows a mixture of capital works and revenue support over an identified period. The Town Council's Outline Submission is for a total of almost £120,000 over a three year period with some £30,000 of capital works in the first year.
  - c) The application has been considered at the latest meetings of both the Community Development Working Group and the Economic Development Working Group.
  - d) If the Outline Submission is accepted, there will be an invitation to submit a more detailed final application.
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**5) BUDGETING**

- a) Considerable work has been done on the structure and preparation of an operational budget for the new Salisbury Gardens in order that the Town Council can have confidence in its
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commitment that the development will not make any demands on the local Precept.

- b) All but one of the anticipated running costs of the building are now the subject of quotations and the Town Council is recommended by the Public Buildings Working Group to set the hire charges for the business development rooms in the Private Agenda of this meeting where detailed figures and options will be available to them.
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**6) TOURS**

- a) Some 30 residents have now taken up the opportunity for conducted tours of the building.
  - b) In addition to providing the opportunity to see for themselves the full potential of the buildings 24 rooms and other facilities, there have also been useful discussions with staff during them.
  - c) The offer is still open, including to local organisations who might want to come as a group. Anyone interested in taking up the offer is asked to contact the Assistant Town Clerk, Alison Killick, on 856905 or through [alison@ventnortc.org](mailto:alison@ventnortc.org).
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**7) INTERIM ARRANGEMENTS**

- a) It's been agreed with the Isle of Wight Council that in return for our care of the building following the departure of the Coastal Management Team, they will continue to meet the costs of the utilities.
  - b) The one exception is that of Cleaning for which the contract was terminated on 31 October. Subject to confirmation at this meeting, Wendy Marshall's working hours have been temporarily extended by three hours a week until further notice.
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**8) RECOMMENDATIONS**

The Town Council is recommended to:

- a) agree to fund the two valuations of the building required to progress the leasing discussions;
  - b) support the application to the Reaching Communities funding stream described in section 4 above; and
  - c) confirm the working hours' extension identified in section 7 above.
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