



The purpose of this paper is for Members to consider their response to a request from the Isle of Wight Council to agree to draft Heads of Terms for a lease of Ventnor Central as the basis for the development of a full formal lease to replace the current Tenancy at Will.

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**No.    DETAIL**

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**1)    BACKGROUND**

- a) An email from Doughty Newnham Limited on 30 April 2015 included an attached draft Heads of Terms and the information that it had been *asked to progress the proposed formal lease of Ventnor Youth Centre (to replace the current Tenancy at Will arrangement)*.
  - b) The email went on to ask:  
*if the Heads of Terms are acceptable I would be grateful if you could please sign and return a copy to me (scan and email would be fine) following which I will then be able to instruct the Councils {sic} solicitors with a view to getting the formal lease completed as soon as possible.*
  - c) A copy of the proposed Heads of Terms is attached to this Report.
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**2)    CONTEXT**

- a) It is the case that a Tenancy at Will is understood to be a temporary arrangement providing both parties with the time and space to move towards a full lease.
  - b) Ventnor Town Council had a number of sound reasons to entering into this arrangement:
    - it did not want another significant building to be lost to the town without fully exploring its potential contribution to the town: thus its formal registration of it as an Asset of Community Value;
    - the development of the Town Council's Youth Offer as a replacement for the closure of the Isle of Wight Council's Youth Service signalled a continuing use for the building;
    - the clear case for the relocation of the Library to the building given the threats to the existing service as a result of a rapidly degenerating building and falling user numbers due to its distance from the centre of the town; and
    - the development in the Town Council's proposals for the management of the adjacent Market Street car park.
  - c) However, the Town Council has throughout been clear that the degeneration of the building over time together with its serious lack of compliance with modern Fire Safety legislation means that a very significant capital programme of at least £250,000 will be required for it to be fit for purpose.
  - d) Funding such a programme would be dependent on a very significant contribution to it by the Isle of Wight Council: the Town Council's staff are very willing to work with Isle of Wight Council colleagues in accessing related funding streams if there is a significant match funding element available.
  - e) The Town Council has also been clear that without a significant tenant, such as the Library, the building's financial sustainability would be in serious doubt.
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**3)    CURRENT SITUATION**

- a) Although there have been a significant number of informal discussions with Isle of Wight Council Officers, who fully understand the value of ensuring the future of the town's Library facility particularly in the context of the high deprivation levels now well evidenced, there has been no indication to date of either a commitment to relocate the Library or a contribution to the capital programme.
  - b) Against this background, the push towards a full lease appears premature and reflecting an interest in passing additional costs and risks to the Town Council.
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- c) The current situation in terms of costs is well within Budget: to date the spend on Ventnor Central's operating costs has totalled £3,367 against income of £1,054.
  - d) But, clearly, the acceptance of the Heads of Terms would involve a major increase in expenditure without any possibility at all of a matching increase in income given the current Fire Risk Assessment limitations on its use.
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#### 4) **RECOMMENDATION**

The Town Council is recommended to advise the Isle of Wight Council that the Town Council cannot enter into discussion of the draft Heads of Terms until greater clarity is available on the future uses of the building and the available contribution to the essential capital programme.

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**Heads of Terms: Former Youth Centre, Ventnor**  
**(Subject to Contract & Formal Council Approval)**

<b>Lessor:</b>	Isle of Wight Council, County Hall, High Street, Newport, Isle of Wight, PO30 1UD.
<b>Lessee:</b>	Ventnor Town Council 1 Salisbury Gardens Dudley Road Ventnor Isle of Wight PO38 1EJ
<b>Contact</b>	David Bartlett (Town Clerk) Email: townclerk@ventnortc.org Tel: 01983 857840
<b>Address and Description of Property:</b>	Former Youth Centre Victoria Street Ventnor Isle of Wight PO38 1ET.
<b>Term:</b>	The lease is to be for a term until 31st March 2017.
<b>Rent:</b>	The Rent will be £1 per annum if demanded.
<b>Repairs:</b>	The lease to be on a full repairing basis.
<b>Alterations:</b>	Not permitted without Lessors prior written consent.
<b>Insurance:</b>	The Lessee to reimburse the Lessor for the cost of insuring the premises.
<b>Permitted Use:</b>	The Permitted Use will be as a centre for youth and community facilities only.
<b>Health &amp; Safety:</b>	The Lessee will be responsible for all health & safety matters relating to the use of the Property.
<b>Other:</b>	The Lease will be outside the protection of the Landlord & Tenant Act 1954 Part II.
<b>Break Option:</b>	Lessee to have the ability to break the lease at any point during the term subject to one month's prior written notice.

<b>Assignment / Subletting:</b>	The Lessee will not be permitted to assign or sublet the whole or part of the property. However, the Lessee will be permitted to hire out the building in part, subject to all statutory requirements being satisfied.
<b>Utilities:</b>	All costs to be Lessees responsibility.
<b>Parking:</b>	N/A
<b>Costs:</b>	Each party will be responsible for its own costs incurred in this transaction.

Signed: .....  
Print Name: .....  
Date: .....

Lessees Solicitors Details (If Applicable): .....  
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