



RYDE TOWN COUNCIL

Report To: Finance Committee – 2 December 2020

Report From: Gareth Hughes, Responsible Financial Officer.

RYDE TOWN HALL BUDGET REQUIREMENT

1. PURPOSE

To give an indication of the budget requirement relating to the costs of the Council entering a three year lease of Ryde Town Hall.

2. BACKGROUND

The Council has agreed to enter a three year lease incorporating the following -

1. The RTC to be granted licence to occupy during the three-year lease at £1 per annum
2. RTC to insure the building
3. RTC to keep the building watertight and free from leaks and to ensure security of the building
4. RTC will negotiate and agree necessary works with IWC conservation officer to a value of £5,000 in lieu of an 'option to buy' sum set at £1.
5. RTC to pay any reasonable legal costs of the vendor involved in setting up a Lease agreement, if required
6. This agreement is contingent upon and subject to the section S215 Notice on the Freeholder being suspended during the Lease and option to buy period
7. The Freeholder understands this agreement is to enable RTC to embark upon grant funding/planning applications and loans for purchase and refurbishment of the property during the three-year period.

3. ACTIONS REQUIRED

- RTC to obtain confirmation from their insurers that they are able to secure insurance on the building without significant premium or excess
- Clarity is needed on the condition the building is to be returned to the owner if the option does not progress
- Clarity is needed on who will fund any costs over the £5,000, if required by either the insurers or the Listed Building Officer.
- RTC to agree a cost cap of legal costs of the vendor
- Confirm if there is any circumstance that the section S215 Notice would have to be served
- Confirm if the freeholder has to approve any planning application prior to submission
- Agree with vendor what happens if the building ceases to exist during this 3-year period, does the option fall?
- The parties need to agree how the lease can be terminated before the end of the 3-year period if needed.
- Legal advice relating to the purchase from an overseas Company
- Include the ability to assign the option to another organisation.

4. INITIAL COSTS

Preliminary enquiries have produced the following estimated costs-

Survey for prospective insurers -	£1,000
Legal costs	£4,500
Annual costs	
Likely annual insurance premium -	£25,000
Minimum annual maintenance-	£5,000
Site security	£500

5. BUDGET REQUIREMENT

An initial budget of £36,000 is likely to be the minimum budget requirement for the first year of the proposed lease. A further contingency budget should also be considered to protect the risk of unforeseen costs.