

QUORNDON PARISH COUNCIL

Minutes of the special meeting of Quorn Parish Council held on Wednesday 26 March 2008 in the Council Chamber at Quorn Village Hall at 7p.m.

PRESENT

Cllr P Child (Chairman)
Cllr I Bexon
Cllr J Bloodworth
Cllr D Cawdell
Cllr G Glover

Cllr K Paterson
Cllr T Rodgers
Cllr T Stirling
Cllr S Templeman
Cllr T Tyler

Mrs L Swinfield – Parish Clerk
Ms K Newman – Administrative Assistant

08/55 PUBLIC PARTICIPATION

Eleven members of the public were present. The Chairman of the Council welcomed all present and thanked the Old School team for getting the project to its present stage, particularly Cllr Glover, who had steered the work, and Cllrs Bloodworth, Stirling and Cawdell for their efforts.

One member of the public asked if the Council intended to cap the amount it was prepared to contribute from the precept to the Old School project and was informed by the Chairman that this was a decision that would have to be taken in the light of the outcome of the present meeting.

Another member of the public stated that he had personally contributed the sum of £1000 to the Old School project and wished to place it on public record that he thought it was a brilliant idea to reopen the building for community use.

08/56 APOLOGIES

Apologies for absence were received from Cllr E Harrison (holiday), County Cllr T Kershaw (prior engagement) and Borough Cllrs R Shepherd (prior engagement), Slater (illness).

08/57 DECLARATIONS OF INTEREST

There were no declarations of interest.

08/58 PROCEDURE

The Chairman explained the provisions of Standing Orders as they related to the conduct of this meeting and laid out the procedure the members were to follow.

08/59 PROPOSAL OF THE BUSINESS CASE FOR THE OLD SCHOOL

Cllr Glover presented the report of the Old School Team setting out the business case for the Old School and outlined its main points. She emphasised the team's commitment to the project and the level of resource that this represented.

Public facilities within the village were overstretched and it was likely that the demand for such facilities would rise in future as the village expanded. The aim of the Old School project was to provide space that would cater for all age groups; would improve local facilities; would offer flexible meeting spaces for organisations; and would provide an historic focus for the village.

Capital financing for the project was needed to purchase the building, to renew it and for capital repairs. It was proposed to raise this finance from a combination of village benefactors' monetary support, grants from bodies such as the Lottery, and loans/grants to be supported by the Parish precept.

Such financing posed risks, and a full risk assessment and provisions had been made to manage those risks. Operationally, the risk picture was healthy – the Old School should not be a drain on the village, but be a sound business when it was up and running. The business plan allowed for maintenance costs to be met from revenue.

If the operational stage could not be reached, then the School would be sold on the open market, and the purchase price and legal costs would be recouped, with profit in excess of these costs reverting to the County Council. The agreed business case needed to be given to Leicestershire County Council by 31 March 2008, or the School would be put up for auction.

The Business Case offered a realistic and pragmatic approach, and as such was designed to be 'tweakable' as part of the ongoing project management.

An in-depth discussion took place.

Cllr Glover commended the Business Case and the Old School project to the Council, and

PROPOSED (seconded by Cllr Stirling)

- 1) That Quorn Parish Council accept and support the Business Case for saving the Old School;
- 2) That Quorn Parish Council purchase the Old School building from Leicestershire County Council subject to terms in an agreed contract;
- 3) That this resolution and the Business Case be forwarded to Leicestershire County Council by 31 March 08 to meet the first condition of their offer.

08/60 QUESTIONS

Councillors asked questions in turn and were answered by Cllr Glover :

Cllr Stirling asked for elucidation of the financial timetable.

The County Council would consider the business case, and if this was accepted, contracts would be exchanged and a deposit of £1,000 would be paid in August 2008. Half the £300,000 purchase price would be paid to the County Council in March 2009 and the remainder in March 2010.

Cllr Bexon asked when the Parish Council would become the owner of the building and if this allowed enough time to secure a Public Works Loan Board (PWLB) loan.

The Parish Council would own the building from the exchange of contracts in August, and the team was already making preparations to apply for a PWLB loan. Once the preparatory work had been done, actually obtaining a loan was expected to be a swift process.

Cllr Cawdell asked about exit strategies and whether the building could be used from August 2008.

The business case looked at funding and key dates would need to be borne in mind; some decisions would be partly driven by time criteria. Elements of the site could be available from

August – which is the date for exchange of contracts, provided they were in a fit state and safe.

Cllr Templeman asked about what costs would be recoverable if the School had to be sold, and what sunk costs were likely to be incurred if such a sale were to take place.

The purchase price and reasonable legal costs would be recoverable and the County Council had been approached about potential liabilities to ensure that some risks – for example, borrowed funds – were covered.

08/61 STATEMENTS

Cllr Paterson stated her reservations about the project, these included the financial risk element; the commitment of the village to the project; the logistics of supporting two large projects.

Cllr Bexon stated his support for the project, but at the least possible risk to the Council Tax payer. He wished to amend the proposal and, seconded by Cllr Tyler, proposed;

- 1) That in principle Quorn Parish Council support the Business Plan for the acquisition and redevelopment of the Old St Bartholomew's School in School Lane, Quorn, tabled at its meeting of 26 March 2008;
- 2) That Quorn Parish Council agree to seek a loan to purchase the site from Leicestershire County Council for the sum of £300,000, on condition that:
 - (i) Leicestershire County Council agrees to exit strategies which allow Quorn Parish Council to recover sunk costs which accrue from the date of its acquisition of the site to the date of disposal including maintaining, securing, insuring, developing and selling the site, loan interest charges and reasonable legal fees;
 - (ii) The development proposals, allocations of space and potential tenancies in the Plan are considered as one option, subject to further review and agreement with the future owner of the site (Quorn Parish Council) following acquisition.

It was proposed by Cllr Templeman and accepted by Cllr Bexon that the wording of this amended resolution be altered by the insertion of the words 'the purchase price of £300,000 and' between the words 'recover' and 'sunk' in Clause 2(i); and by the addition of the words 'if the site is sold for more than £300,000' after the word 'fees' at the end of Clause 2(i).

The probability of the County Council accepting provisions of the amended proposal was discussed and Cllr Bexon suggested that the Parish Council offer to bear sunk costs to a limit of £50,000. After further discussion it was suggested that this figure be reduced to £25,000.

Cllr Stirling stated that in his opinion, it was impossible to calculate sunk costs in advance but it would be possible to manage the risk that they posed during the progress of the project. The pragmatic and practical nature of the Business Case supported this. Huge progress had been made over the last 15 months and in the light of this there was every reason to be optimistic about the future.

Cllr Rodgers interrupted Cllr Stirling but did not wish to make a statement himself.

Cllr Bloodworth did not wish to make a statement.

Cllr Tyler had concerns about what would happen to benefactors' money should the project fail.

It was proposed by Cllr Templeman and accepted by Cllr Bexon that the amended resolution be further altered by the addition of the word 'plus' before the words 'sunk costs' and the words 'in excess of £25,000' after the words 'sunk costs' in Clause 2(i); and by the deletion of the words 'including maintaining, securing, insuring, developing and selling the site, loan interest charges and reasonable legal fees' from Clause 2(i).

On being put to the meeting, there voted

FOR the amended resolution, Councillors Bexon, Child, Paterson, Rodgers, Templeman, and Tyler,

and

AGAINST the amended resolution, Councillors Bloodworth, Cawdell, Glover and Stirling

and it was therefore

RESOLVED

- 1) That in principle Quorn Parish Council support the Business Plan for the acquisition and redevelopment of the Old St Bartholomew's School in School Lane, Quorn, tabled at its meeting of 26 March 2008;
- 2) That Quorn Parish Council agree to seek a loan to purchase the site from Leicestershire County Council for the sum of £300,000, on condition that:
 - (i) Leicestershire County Council agrees to exit strategies which allow Quorn Parish Council to recover the purchase price of £300,000, plus sunk costs in excess of £25,000 which accrue from the date of its acquisition of the site to the date of disposal if the site sells for more than £300,000;
 - (ii) The development proposals, allocations of space and potential tenancies in the Plan are considered as one option, subject to further review and agreement with the future owner of the site (Quorn Parish Council) following acquisition.

Meeting ended 9.11 pm

Chairman Date