

Stratfield Mortimer Parish Council

Full Council Meeting 24/06/2021

Library

Agenda item 21/041 8: To RESOLVE that SMPC pauses the negotiation to take over ownership and day to day management of the library building and informs West Berkshire Council and other interested third parties.

Report from Cllr. Chris Lewis

DISCUSSION

In summary the Indicative cost summary shows running costs of £8.5k pa and a known saving of £7k for rent and s137 grant. The running cost excludes £4k for rates as there is an 80% reduction for a charity and the other 20%; the current plan is to seek an indemnity in this respect but there could be problems. The cost of insurance is also not included; this could be high as SMPC will have a liability for contents as well as structure. The charity is also unlikely to be able to recover any VAT.

SMPC has a liability to keep the property in good repair including decorating to a reasonable standard; against this there is a liability of £2k pa; given the length of the lease it is thought that this is on the low side.

The summary includes £2k additional income from hiring out the hall, sales and fund raising. Given the effect of Covid it was thought that it would take some time for this to come into effect.

The Hungerford scheme allows a grant to be paid by HTC to the Charity in excess of the costs. Unless the grant comfortably exceeds the known costs it is thought that being a long term trustee would not be attractive. Assuming an indemnity on the rates, this figure would have to be at least £10k and possibly £12k. Given a saving of £7k this is not be cost neutral scheme on which SMPC originally proceeded.

In conclusion given the problems with both the finances and appointment of trustees the Working Group decided to recommend to F&GP that SMPC ceases to negotiate the taking over of ownership and day to day management of the library building.

Further to discussions held at the June advisory meetings of F&GP and Full Council, it was agreed to ask Full Council to resolve to pause the negotiation, as oppose to cease.