

EVERDON OUTDOOR LEARNING CENTRE – FEBRUARY 2019 NEWSLETTER UPDATE



This is the first of a series of updates, issued by the Parish Council and hand-delivered to all Parishioners, in order to keep you fully updated on current developments at the Outdoor Learning Centre (OLC).

Those of you who were able to attend the open evening at OLC on 5th February, will now be aware of the reasons for the Parish Council being unable to share with you details of its discussions to date. In order to obtain any material information relating to OLC, the Parish Council was required to sign a non-disclosure agreement with the current owners, Northamptonshire County Council in order to ensure strict confidentiality. This is mainly due to the commercially sensitive nature of the proposal. There can be strict financial penalties for breaches of such covenants, hence the need for absolute confidentiality.

However, having made a presentation to Parishioners during the open evening the Parish Council can now share the information with you.

Just over a year ago, the Parish Council was approached by Northamptonshire County Council (NCC) to ascertain whether the Parish Council would be interested in acquiring OLC, as a going concern. As the Parish Council believes that there may be excellent community benefits arising out of an independently owned OLC, it decided that it should at least explore these opportunities, otherwise it would have failed in its duty to its Parishioners. Initial legal advice, which was provided free of charge, advised that in order to best protect the Parish Council and therefore the ratepayers, the most appropriate structure for an acquisition of this nature would be for the Parish Council to acquire the property and for an independent organisation to run OLC, as a tenant. With this in mind, an independent Charitable Educational Trust Company, which is a totally separate legal entity, unconnected to the Parish Council, is presently being formed for this purpose. There will be opportunities for Parishioners to use their talents and skills to help the Charitable Trust in many ways.

You will no doubt be aware of the financial crisis which arose at NCC and as part of the recovery plan NCC is trying to convert assets (e.g. the OLC building) into revenues (cash). Whilst OLC is a small but profitable business, as an asset, it probably represents ten years worth of revenues. It is not being sold because it is loss making.

In the early stages of its confidential discussions with NCC, the Parish Council commissioned a Chartered Surveyor to value the premises, which revealed a value of £320,000 for the building. This excludes the value of fixtures and fittings, which include a commercial standard kitchen and a modern heating system, which were installed as part of a substantial refurbishment and extension programme, carried out in 2015.

With this information to hand, The Parish Council made a conditional offer to NCC of £250,000 for the OLC building to include the fixture and fittings, previously mentioned. The offer was made on a “Without Prejudice” basis, which means that it is not legally binding and “Subject to Contract”, which means that both parties have to agree a contract for the sale and purchase of OLC. Therefore, the Parish Council is not committed to anything. The conditional part of the offer relates to the Parish Council being able to raise the money needed.

Rather than raise the funds directly via the precept, to which all Parishioners contribute via their Council Tax, the Parish Council would prefer to seek permission from the Secretary of State at the Ministry of Housing Communities and Local Government (MHCLG) to borrow the money via a long term loan from The Public Works and Loans Board. This is a government department which specialises in loans of this nature and offers exceptionally generous repayment terms [up to 50 years and with interest rates of less than 1% per annum]. A statutory condition for obtaining a loan from this source is that the majority of Parishioners must be in favour of the proposal, hence the need to inform you all and to invite you to a series of future meetings at which you will be encouraged to express your views. It would seem sensible to use the Annual Parish Meeting on 8th April as the first of these forums.

In advance of a formal application for a loan, permission to apply for the loan must first be sought from the Secretary of State. This permission to apply will be made on the basis that there will be no impact on the precept. If granted, this permission lasts for 12 months and if circumstances should change during that period [e.g. if it became apparent that there was going to be an impact on the precept], then the permission would become invalid and a new permission would be required. This is only permission to apply for a loan and any formal application for the loan itself will come at a later date, but only with majority support from Parishioners. Permission to apply for a loan does not commit the Parish Council to anything.

Under the proposed structure with the independent Charitable Educational Trust Company, [the tenant] it would be the tenant who would be responsible for any repairs or maintenance costs to the building, under the terms of an FRI lease [Full Repairing & Insuring]. The Parish Council would also insure itself against loss of rent.

Before issuing the next update, the Parish Council is going to gather further information which will include quotations for; (i) undertaking financial and legal due diligence, (ii) insurance requirements and (iii) a full structural survey on the building. Once this information has been received, it will be shared with you.

To date, the Parish Council has expended no financial costs whatsoever on this proposal nor has it committed itself or its Parishioners to any course of action, financial or otherwise.

If you have any questions on the contents of this update, please feel free to contact the Clerk or any member of the Parish Council, whose details are listed in the Village Newsletter and please look out for further updates and meetings.

EVERDON PARISH COUNCIL