

**STROUD DISTRICT COUNCIL**  
**STRATEGY AND RESOURCES COMMITTEE**

**AGENDA  
ITEM NO**

**4 OCTOBER 2018**

**11**

<b>Report Title</b>	<b>SUBSCRIPTION ROOMS, STROUD</b>
<b>Purpose of Report</b>	To seek approval to extend the deadline for the exchange of contracts of the transfer of the Subscription Rooms to Stroud Town Council.
<b>Decision(s)</b>	<b>The Committee RESOLVES to extend the deadline for the exchange of contracts of the transfer of the freehold interest in the Subscription Rooms and forecourt and the business operated therefrom to Stroud Town Council, by one month, to the 31st October 2018 at the latest.</b>
<b>Consultation and Feedback</b>	None
<b>Financial Implications and Risk Assessment</b>	There are no direct financial implications arising from the extended deadline. If the transfer were not to proceed there would be financial implications for the Council and these would be presented when considering future options. Andrew Cummings, Head of Finance and (s151 Officer) Tel: 01453 754115 Email <a href="mailto:andrew.cummings@stroud.gov.uk">andrew.cummings@stroud.gov.uk</a>
<b>Legal Implications</b>	There are no legal implications arising from the Recommendation to extend the deadline for exchange of contracts. Alan Carr, Solicitor Tel 01453754357 Email <a href="mailto:alan.carr@stroud.gov.uk">alan.carr@stroud.gov.uk</a>
<b>Report Author</b>	Alison Fisk, Head of Property Services Tel: 01453 754430 Email: <a href="mailto:alison.fisk@stroud.gov.uk">alison.fisk@stroud.gov.uk</a>
<b>Options</b>	<ol style="list-style-type: none"> <li>1. Approve the resolution in the decision box</li> <li>2. Do not approve the resolution and make a decision on the future of the building at the next meeting of the committee i.e.: <ol style="list-style-type: none"> <li>a. Run the Sub Rooms with limited opening to reduce costs.</li> <li>b. Close the building</li> <li>c. Remarket the building on an unrestricted basis</li> </ol> </li> </ol>
<b>Performance Management Follow Up</b>	<ol style="list-style-type: none"> <li>1. Exchange contracts by the end of October 2018</li> <li>2. Complete transfer of the building, service and staff by 31<sup>st</sup> March 2019</li> </ol>
<b>Background Papers/ Appendices</b>	None

**1. Background**

- 1.1 At its meeting on 12<sup>th</sup> July 2018 this committee resolved to transfer the freehold interest of the Subscription Rooms and the business operated therefrom to Stroud Town Council for a consideration of £1 subject to:

- (i) exchange of contracts for the transfer by 30<sup>th</sup> September 2018 with completion of the transfer to take place on or before 31<sup>st</sup> March 2019.
- (ii) the provision of a one-off grant of £230,000 to the Town Council towards the operating costs, subject to the completion of a grant agreement.
- (iii) this council funding the costs of and procuring the works to replace the roof and to carry out repairs to the flat roof and masonry, subject to a maximum of £125,000.
- (iv) the sale to include fixtures and fittings and movable assets as part of the transfer

Subject to the above, authority was delegated to the Head of Property Services to approve the terms of the contract, transfer and all associated documentation.

## **2. Progress**

2.1 Significant progress has been made by officers and the Town Council. All the legal agreements required have been drafted and substantially agreed (with the exception of the overarching contract –see 2.2 below). Stroud Subscription Rooms Trust has been established and is awaiting registration from the Charities Commission. The Trust and Town Council have been working on all the elements required to ensure the successful transfer of the Subscription Rooms and secure the cultural services provided from it into the future.

2.2 However, due to delays caused by annual leave over the holiday period, the Town Council has only recently received employment and legal advice regarding the TUPE transfer of staff and clauses in the contract relating to how bookings will be managed between exchange and completion. These issues in particular have raised new concerns and the Town Council will need to consider and approve the contract terms at its meeting on the 1<sup>st</sup> October. It has not, therefore, been possible to exchange contracts by the deadline of 30<sup>th</sup> September, this matter has therefore been referred back to this committee.

2.3 The deadline of 30<sup>th</sup> September for the exchange of contracts was given to ensure significant progress was made as quickly as possible, to demonstrate commitment from both parties and to ensure progress continued at pace. It also enabled the focus to move to the work required to successfully handover the operation of the building, including the transfer of staff and set up of the Trust by the end of March next year.

2.4 Whilst it is extremely disappointing that this deadline has not been met officers are confident that the grant of an extension until the end of October 2018 is sufficient time to enable contracts to be exchanged, if the Town Council approves the contract terms on the 1<sup>st</sup> October. There will be no further extension recommended and this is not an opportunity to re-negotiate the terms previously approved by committee nor for the Town Council to add any new conditions.

## **3. Recommendation:**

3.1 Committee is therefore recommended to extend the deadline for the exchange of contracts of the Subscription Rooms with Stroud Town Council by one month. This is a final deadline, if it is not met, the matter will be referred back to the Strategy & Resources Committee to make a decision on the future of the building.