

ADDENDUM TO MINUTES RELATING TO HATHERLEIGH MARKET
MINUTE NO. 24

HATHERLEIGH MARKET

Cllr. Burrow reported as follows:-

- **HATHERLEIGH WORKING GROUP MEETINGS IN MAY** meeting dates 2nd & 13th May. With plans to keep these going on a weekly basis, now that we are close to agreeing a new way forward
- **PUBLIC UPDATE** the following public announcement was put out on the Friends of Hatherleigh Market Facebook page and posted on the Hatherleigh Building Community Facebook group. This update was also submitted for inclusion to Junes parish pump
- **HATHERLEIGH MARKET UPDATE** grant application to the Community Ownership Fund has not been successful as we have been unable to obtain a valuation to match the asking price from Kingswood Homes. This being the case we will not be able to buy the freehold (for now). In active negotiations with Kingswood to secure a long-term interest in the site with a lease in accordance with the planning obligations granted for the market. Still need to fund the enhancements to the building (glass sides, toilets, office, external power etc) to make it fit for the purpose for year round trading – we are exploring available options. Once we know more we will contact individuals who have kindly made financial pledges and make further public announcements. Please direct any queries to Patrick Kimber on info@fohm-cbs.org / 07840 538357.

This post generated some controversy in the comments section – I posted a response that dealt with a number of the inaccuracies and concerns raised and then switched comments off

- **OPEN MARKET RENT VALUATION OF THE NEW MARKET SITE**

Friends of Hatherleigh Market instructed and paid for Stratton Creber (commercial valuers) to produce a rental valuation of the new market site. They responded as follows:-

- **They reviewed the Sec.106 planning agreement for the market and the restriction of the use of the property as a pannier market and were of the view that there would be no pannier market operators or similar in the open market that would be prepared to rent or buy the property either with or without the enhancement works as we discussed purely because of the use restrictions , no viable demand and lack of alternative possibilities , even within the sui generis use class.
In addition, the property is unlikely to be marketable or mortgageable resulting in a zero market rent and market Value with or without the enhancements**

We forwarded a copy of this advice received from Stratton Creber to Paul Jones (Director Kingswood Homes) for his view.. His response was “Richard thanks for this. Obviously we disagree and believe there is a rentable value to the building. We also believe there are other operators who would be interested in running the market Happy to chat through tomorrow”

NEW NEGOTIATED WAY FORWARD

We had positive discussion on phone and have formulated a preliminary plan for the way forward to unlock the situation.

New plan takes into account the following positions:-

- **CBS (Hatherleigh Community Market Ltd) still committed to negotiating a lease (as envisaged by the Section 106 with the rent discount provisions) but in order to meet our financial commitments, we need to be able to trade from the site all year round. Therefore building needs sides as a bare minimum**
- **The CBS are prepared to agree and repay reasonable enhancement costs but can only do so on the basis that the enhancement costs are dealt with in a separate agreement and not treated as “rent” payments (and**

separate from the lease) to minimise our exposure to stamp duty land tax

Based on our revised business plan and forecasts, I shared with him an annual figure for what our working group felt was affordable for rent including VAT and discussed acceptable way forward for agreeing and dealing with the costs of the building enhancements.

Cllr. Burrow stated a further call from Joel Winders (Kingswood Homes Commercial Director) is planned for this week where the enhancement works will be reviewed to produce a minimum viable building specification and look at ways that cost savings could be made on the enhancement works. The focus of the working group will now be to finalise these arrangements and agree this in writing.