

LUF Grant for Kimberley Town Council – Portable Office Space

Background

To allow the Parish Hall site to be rebuilt the Town Council needs to move to temporary accommodation. After looking at number of options we elected to move to the KICC site until the new building is ready. This necessitates obtaining a temporary office and some containers for short term storage. We've already purchased these facilities.

Before we obtained the temporary facilities we received agreement from Broxtowe that Levelling Up would pay the upfront capital costs and then, once we didn't need the facilities, we would sell the units and repay the funds to Broxtowe, including any gap between the resale value and the original funding.

What has made this process complicated is:

1. There is no provision in LUF for revenue spending so there is no option to rent space or write off the units as 'rental' cost
2. If Broxtowe/ LUF give KTC a loan for the funds (the original plan), legally this is complicated, and we would have to pay the funds back anyway.

Proposal

Following a lot of discussion with Broxtowe, the simplest way to fund the temporary facilities is for Broxtowe to pay a grant from the LUF monies. Because it's a grant KTC only need to pay some or all of the grant back in certain circumstances.

The proposal is as follows:

1. LUF pays a grant of £23k to KTC for the purchase and commissioning of a portable office and containers for storage, to be installed at KICC.
2. If KTC spends less than £23k, it returns the difference.
3. When the Hub is complete, KTC can either
 - a. Sell (some or all of) the facilities and pay £23k back to LUF, making up any shortfall between the purchase cost and the resale cost, or
 - b. Spend up to £23k (assuming we used all of the grant) on fitting out the new Hub and *not* pay the money back to LUF. In this the net cost to KTC would be £23k but this is no more than simply paying the money back, or,
 - c. Spend up to £23k on fitting out the new Hub, not pay the money back to LUF and offset KTC's costs by selling the mobile office for e.g. £10k and one container for e.g. £2k meaning the net cost to KTC would be £11k.

The key point is we need to pay back the cost of any grant unless we reuse the funds on the Hub. Fitting Out in this context has a wide definition and can include purchase of furniture, fittings, technology, security equipment, etc.

For completeness, we could fund the mobile office and containers out of general reserves, subject to agreement from full council.

It is proposed KTC accept a grant of up to £23000 from Levelling Up towards temporary relocation costs under the conditions of the grant offer (attached) and offsets any need to repay the grant through investment in the new Hub building.