

EAST GRINSTEAD TOWN COUNCIL

MINUTES OF A SPECIAL MEETING OF THE EAST GRINSTEAD TOWN COUNCIL HELD AT EAST COURT MANSION, EAST GRINSTEAD, ON THURSDAY 29 APRIL 2004 AT 7.45 P.M.

Present: Councillor Mrs B Heasman (Town Mayor)
Councillor Mrs C Mainstone (Deputy Town Mayor)
Councillors Mrs Collins, Mrs Waddingham and Mrs Wilson
Councillors Baldwin, Barnett, Dixon, Gillbard, Heasman, Jarrett,
Johnson, Joyce-Nelson, Lord, Marmara and Matthews

Also Present: A representative of East Grinstead Courier and 2 members of the public.

78 APOLOGIES FOR ABSENCE: Councillors Belsey and Starmer.

79 DECLARATIONS OF PREJUDICIAL AND PERSONAL INTEREST

* Councillors Baldwin, Johnson, Lord and Mrs Mainstone disclosed personal interests by virtue of their appointment to Chequer Mead Arts Centre Trust Limited Board by either East Grinstead Town Council or Mid Sussex District Council.

* Councillors Mrs Collins, Gillbard, Heasman, Mrs Heasman, Jarrett, Joyce-Nelson, Matthews and Mrs Waddingham declared personal interests by virtue of their membership of the Friends of Chequer Mead.

80 CHEQUER MEAD

Members gave consideration to the written report prepared by the Town Clerk that had previously been circulated, to other correspondence that he had sent as emails during previous days, a copy of a note received from Councillor Belsey and further updated information given verbally by the Town Clerk.

The following information was noted either as a direct result of the aforementioned information or as a consequence of answers to questions raised by Members:-

1. It was emphasised that it is Chequer Mead Arts Centre Trust Limited, a charitable company limited by guarantee, that has become insolvent and not Chequer Mead itself.
2. Sterling Ford, a company specialising in insolvency and company rescue, is actively working to both protect the interests of creditors and to see whether it is possible to save the Trust.
3. Because of Sterling Ford's obligation to creditors and that they are not permitted to increase the debt in any way, the cost of keeping Chequer Mead open during the interim period is falling on East Grinstead Town Council and is largely being met from the budget that was otherwise set aside for revenue grant aid, the capital contribution to the Trust in the 2004/2005 budget. It was noted that whilst this did result in some additional costs in the initial weeks, due to the maintenance of the booked programme in its entirety until 21st April 2004 and some essential plant maintenance, once those costs have been met

there would be no other additional costs beyond those provided for within the budget.

4. A number of short-term measures have been introduced to reduce costs and to ensure the building is viable and fulfils its primary purpose as a community venue for a range of arts and community based activities. These have included a reduced workforce, the substantive elimination of the professional programme (except for the period between Sterling Ford being called in and the first creditors meeting), the removal of all guarantees/splits in respect of theatre hire which are now all being agreed on a strict lettings basis and enhanced emphasis on cost control/budget management. The work of the Manager and staff was duly acknowledged at this point.
5. Members were pleased to note that there is an active lettings programme throughout the many rooms within Chequer Mead, that all bookings for the Gallery have been honoured, that the trading company continues and is solvent and that the Galleria remains open for business. With regard to the theatre Members were provided with a list of booked programmes until the end of August and were advised that there is a developing programme throughout the autumn culminating in a pantomime over the Christmas/New Year period to be provided by the Company of Friends.
6. Members were extremely grateful to the Chequer Mead Friends for their continued support during a difficult period, and the many volunteers that give up their time to assist in running the box office, front of house, behind the bar and generally throughout the building.
7. Members noted that Sterling Ford are currently talking with a number of interested parties regarding the future of the Trust but that there is no certainty at the present time that an appropriate rescue of the Trust Company can be achieved. However, it was emphasised that this is not in itself material to the continued running of the building under the financial auspices of the Town Council whilst Sterling Ford undertake their necessary enquiries and other statutory requirements pertaining to the insolvency.
8. It was noted that Sterling Ford are also in touch with the Charity Commissioners and other statutory bodies. It was reported that Chequer Mead Arts Centre Trust Limited has a lease on the building of 28 years commencing 1995 and that for the time being this has not been terminated. This is for two reasons. Firstly to give Sterling Ford a better opportunity to effect a rescue, as without the lease the Company has no asset base and therefore no prospect of rescue and, secondly, because there are financial benefits in the Trust continuing with the lease, notably in respect of exemption from Uniform Business Rates.
9. With regard to grant aid to either a reconstituted Chequer Mead Arts Centre Trust Limited (subject to the approval of the Charity Commission) or some other body acceptable to the Town Council, it was recognised that this would need completely fresh negotiations and that previous agreements regarding the level of financial support will not automatically apply in the future.
10. Members noted the benefits to be achieved were the existing Trust to be saved. These would include some financial arrangement with the creditors, possibly by means of a Corporate Voluntary Arrangement, the fact that the fixed assets belonging to the Trust would not need to be purchased back should the Council or some other party wish to do so and the fact that neither

Mid Sussex District Council nor South East Arts would be regarded as creditors for the purposes of negotiating a CVA.

11. Members noted that the Town Council has no liability whatsoever for any of the debts of the Trust prior to Sterling Ford being called in by the Directors of the Company although it is a creditor for the £20,000 loan awarded in 2003.
12. Members noted that no decision could be made with regard to the Trust that might impact upon either the lease or the existing grant in any way without the prior approval of the Town Council at Member level.

Following the detailed discussions Councillor Heasman proposed, Councillor Dixon seconded and all Members unanimously, with the exception of Councillors Baldwin, Johnson, Lord and Mrs Mainstone who all abstained in view of their recorded interest, resolved as follows:-

RESOLVED: That East Grinstead Town Council:-

- (i) Reaffirms its support for Chequer Mead as an important community, theatre and arts resource for the Town, regrets the financial difficulties currently being experienced by Chequer Mead Arts Centre Trust and commends efforts to secure a rescue package for the Trust Company and a sustainable future for the Centre;
- (ii) Commits itself to underwriting Chequer Mead's operations initially until 30 June 2004 to a maximum cost of £38,000, this to be met £20,250 from existing revenue and capital grants budgets for Chequer Mead and with residual costs of up to £17,750 being funded from balances, and
- (iii) Will convene a further Special Council meeting on Monday 14 June 2004 at 7.45pm, or such other date and time as may prove more appropriate given developing circumstances, to determine longer term policy in the light of decisions made at the creditors meeting and based upon any further advice of Sterling Ford and the Charity Commission.

The meeting closed at 9.07 p.m.

SIGNED:

TOWN MAYOR