



COUNCIL MEETING – 19 April 2006

Question under Council Procedure Rule 14

QUESTION 1

From: Councillor Tait

To: The Portfolio Holder for Healthy and Inclusive Communities

“Does the Leader of the Council share my surprise that the tenant of 68 St Georges Street, Winchester Area Community Action (WACA), makes a significant financial surplus from sub-letting the building to other charities and does she feel that some mention of this fact should be made in the assessment of the Community Grant given to WACA.

Could I be advised of the amount of the surplus?”

Reply

“WACA took on management of the Winchester Centre (68 St Georges Street) in 1995 on a 50 year lease from the Council. To make it fit for office use and accessible to all it underwent complete internal refurbishment at a cost of £800,000. Half of this was raised by WACA and the other £400,000 secured through a secured loan to WACA from Hampshire County Council, repayable over 25 years. The cost of this repayment is £18,750 per annum.

WACA currently pays the Council £52,000 per annum to lease the Winchester Centre. This rent is subject to review which has yet to be agreed with effect from June 2005. Rent is only one of the costs associated with managing the building. The total cost in 2005/06 was predicted to be £230,418, of which the major costs were:

- £52,000 lease
- £35,592 staff
- £33,200 depreciation
- £25,586 operational charge (Winchester Centre management costs)
- £18,750 mortgage payments
- £15,000 cleaning
- £12,000 energy costs

Income in 2005/06 was predicted to total £198,318, of which £182,818 came from rental of office space and a further £11,500 from hire of the training facilities. This means that WACA did not make a surplus from the operation of the Winchester Centre - in fact WACA suffered a financial shortfall of £32,095 from this activity.

WCC and WACA have always agreed to establish the Winchester Centre as a stand alone operation so that future surplus/deficit is separated from the core activities of the organisation.”