

Extract from Minutes of Council meeting held on 22 June 2022

Minute 7.3 MKC Trustee Report

Cllr Byford, chair of MKC trustees, updated progress with the business review.

- Other than some redecoration and replacement of carpets to refresh the overall appearance, there were no structural or other concerns about building condition.
- Mrs Avison had not received a pay increase for over 4 years and Trustees considered it fair to grant a 3% increase in light of cost of living increases.
- A significant factor affecting cashflow and depletion of reserves was the commitment by outgoing trustees for an expensive broadband and telephone service with BT and renewal of long-term contracts for the franking machine and printer. Pro bono legal advice had not identified an obvious means to extract MLC from these contractual commitments.
- At current rates of expenditure, reserves would be exhausted in 5 months' time.
- Cllr Fairhurst and Cllr Byford would shortly meet with Mrs Colman of Broadacres to discuss potential conversion to housing.
- Cllr Fairhurst and Cllr Byford had recently met with Racing Welfare following an unsolicited enquiry about potential use of MKC as a welfare centre. Earlier RW plans to create staff accommodation and a welfare centre at Hill House seemed less likely to proceed and they were now considering a new-build accommodation block in the field adjacent to the Key Centre, although their interest in MKC was not dependent upon the housing component.
- To date, no restrictive covenants had been discovered within MKC's initial planning consents and funders' obligations limiting alternative use of the centre.

With the prospect of MKCL becoming insolvent it was agreed to be prudent to seek advice from Scotts on various matters including trustee liability and implications for Council as the asset owner. The Clerk would draft a request for approval by Councillors.