

Hay Town Council

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Mayor
Cllr T Stedman

22 March 2019

By Email

Cllr Phyl Davies
Clive Pinney

Dear Mr Pinney and Councillor Davies

Re: Public Conveniences and loan agreement

We acknowledge your letter of 8 March and accept the termination of the loan agreement with effect from 1 April 2019.

However, we do **not** accept that the termination of the loan agreement offsets any monies that would have been due to Hay Town Council with effect from May 2015.

We do realise that the County Council is facing financial difficulties and that difficult decisions have to be taken so we understand that we cannot reasonably expect to receive any financial support going forward.

We have taken legal advice from Berry Smith Law Firm in Cardiff who have advised that we have a strong case against Powys County Council in regard to the negotiated agreement. Although that agreement had not been signed it was operational, as evidenced by Clive Pinney's letter of March 2017 offering to offset the car park income owed to the Town Council against the loan repayment owed to the County Council. The only reason this was not accepted at the time was due to the calculation provided being incorrect.

Legal action is likely to be prolonged and costly for both sides and it is a route that we genuinely would not wish to follow as we firmly believe that the Town and County Council should be trying to work together for the good of our residents not wasting time and money in legal disputes.

To that end our legal adviser has suggested that we put forward a compromise for you to consider.

The fact is that Hay Town Council would not have taken on the operation of the public toilets without the offer of the financial support provided through the car park income. Expenditure has been incurred based on the legitimate expectation that financial support would be forthcoming. It is only right and fair, therefore, that the Town Council be recompensed for any expenditure, in effect returning the Town Council to the same financial position as we were in, prior to taking over the public toilets on license.

We can provide evidence of expenditure and income received and based on these figures calculate that we are in effect around £36,000 out of pocket.

During my conversation on Wednesday with Cllr Davies, he indicated that the County Council has not yet decided how to progress with regard to the public toilets. In order to ensure that the toilets remain open, whilst the discussions within the council take place, Hay Town Council has agreed that we will continue operating the toilets until 1 October 2019.

This is not an arbitrary date, this is the length of time we can afford at present given that we have not included the operation of the toilets in our budget for 2019 and have already set the precept.

This offer is made in good faith and we hope that you will accept it as such and also give serious consideration to the compromise suggested above.

Yours Sincerely,

Cllr Trudy Stedman (Mayor)

On behalf of Hay Town Council

