

## **REPORT TO Council**

Date of meeting: Tuesday 7 April 2026

Report of: Strategic Director Corporate Resources

Title: St Nicholas Priory.

### **Is this a Key Decision?**

No

### **Is this an Executive or Council Function?**

Council

#### **1. What is the report about?**

- 1.1 The Report provides Members with information about essential roof repairs at St Nicholas Priory and requests approval of additional funding of £75,000 for essential roof repairs.

#### **2. Recommendations:**

- 2.1 That Council approves additional funding of £75,000 towards the cost of essential roof repairs at St Nicholas Priory, bringing the total budget to £163,120.

#### **3. Reasons for the recommendation:**

- 3.1 Historic England have declined an application by the tenant of St Nicholas Priory for the funding of required roof repairs. The works have been value engineered to only include essential repairs, but the cost of these essential repairs exceeds the tenant's liability cap (£10,000) and the Council's previously agreed funding of £88,120.
- 3.2 The lease of the building includes a right for the tenant to serve notice to terminate the lease. It is very likely that the tenant will seek to terminate their lease due to lack of funds if the Council does not increase their funding contribution to the essential works.

#### **4. What are the resource implications including non-financial resources:**

- 4.1 £75,000 of grant funding in addition to the £88,120 already approved together with officer time managing the tenant and the release of funds throughout the works period.

#### **5. Section 151 Officer comments:**

- 5.1 The funding request allows the Council to meet its obligations to protect a Grade 1 listed building in its ownership. Borrowing costs equate to approximately £5,000 a year (interest and repayment).

## **6. What are the legal aspects?**

- 6.1 The Council is the freehold owner of St Nicholas Priory, The Mint, Exeter, EX4 3BL ('the Premises'). The Council granted Exeter Historic Buildings Trust a lease of the Premises registered under title number DN702901. The key details of the lease are set out in paragraph 10 below. The Lease requires the Exeter Historic Buildings Trust to use reasonable endeavours to obtain grant funding to enable it to comply with the lease covenants.
- 6.2 A formal agreement between the Council and the recipient of financial assistance should be completed to ensure the funds are allocated to the agreed use and any unspent funds are returned to the Council.
- 6.3 It is not considered that this funding constitutes a subsidy under the Subsidy Control Act 2022.

## **7. Monitoring Officer's comment**

- 7.1 The Monitoring Officer has no additional comments.

## **8. Equality Act 2010 (The Act)**

- 8.1 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because it is a request for grant funding to preserve a Grade 1 listed building that is ultimately the Council's responsibility.

## **9. Carbon Footprint (Environmental) implications:**

- 9.1 No direct carbon/environmental impacts arising from the recommendations.

## **10. Report details:**

- 10.1 Exeter Historic Building Trust (EHBT) were granted a 99-year Lease of St Nicholas Priory commencing from 7<sup>th</sup> September 2018.
- 10.2 The Lease requires EHBT to keep the demised premises including the structure in as good as repair and condition as they are in at the date of the Lease. However, the lease recognises EHBT is a charity and caps its liability for repairs at £10,000.
- It is intended the Trust £10,000 contribution will be used in the preparation of a specification, Listed Buildings consents and the tender process.
- 10.3 St Nicholas Priory requires essential roof repairs primarily to deal with water ingress. An initial estimate for the repairs was obtained at a cost of £360,000 inclusive of VAT.

- 10.4 Exeter Historic Buildings Trust were encouraged to apply to Historic England for a grant funding contribution towards the roof which was initially submitted as replacement of the whole roof.
- 10.5 In July 2024, Exeter City Council agreed to make a financial contribution of £88,120 towards the roof repairs.
- 10.6 Historic England subsequently required EHBT to revise the project to critical repairs and following a grant application on this basis, Historic England have themselves been subject to a funding review and have declined EHBT's grant application.
- 10.7 Consequently, EHBT have obtained estimates assessed by a Quantity Surveyor to undertake essential works only to prevent the water ingress costing around £150,000.
- 10.8 There is, therefore, a financial shortfall between the estimated cost of repairs and the approved grant from Exeter City Council.
- 10.9 The Lease incorporates a break option every 5<sup>th</sup> year and at any time in the event the Lessee can reasonably demonstrate the budgeted repair and maintenance costs exceed the sum of the net income and grants available to fulfil its obligations under the Lease.

## **11. How does the decision contribute to the Councils Corporate Plan?**

- 11.1 St Nicholas Priory is the oldest standing building in Exeter contributing to the leisure and cultural offer within the city, EHBT host guided tours, school visits, weddings, and special events like ghost hunts or theatre evenings. It therefore contributes to the People corporate priority.

## **12. What risks are there and how can they be reduced?**

- 12.1 Due to the cap on EHBT's repair liability if the Council does not agree to fund the funding shortfall, it is very likely that EHBT will seek to operate the break clause within the lease due to lack of funds and hand the building back to the Council. The Council has no alternative occupier for these premises, nor the budget to maintain these historic premises.
- 12.2 There is a risk that once the works are tendered, the cost is greater than the approved budget. This has been mitigated as best as possible using a quantity surveyor.

## **13. Are there any other options?**

- 13.1 There are no other options.

**Director: Dave Hodgson, Strategic Director for Resources**

**Author: Ben Colman, Head of Commercial Assets**