



LEADER OF THE COUNCIL

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Dear Sirs,

Since the Andover Summit questions have been raised on Facebook, Twitter and in the Andover Advertiser about the Council's role in the Chantry Centre. I thought it would be helpful if I explained the relationship to set the record straight. In 1991 the Council granted a lease of the Chantry Centre for 125 years. The lease is now held by Friends Life Company Ltd an investment fund who employ AXA Real Estate Management to manage the Chantry Centre on their behalf. AXA has full operational control of the centre.

AXA, through their appointed agents, sublets shops and offices in the Chantry Centre to individual businesses. The legal agreement means there is no direct relationship between the Council and any of the tenants of the centre nor involvement in the day to day management of the centre itself.

The rent the investment fund pays to the Council is based on 40 per cent of the rent they receive from businesses in the centre, less deductions for 40 per cent of the operating costs. This income helps fund Council services and minimises the level of Council Tax, contributing to making Test Valley one of the lowest taxing authorities in England, despite the recent annual rise.

Included in the operating cost is any business rate payable on empty units with 40 per cent funded by the Council and the remainder by the investment fund. The level of business rates is set nationally, therefore empty shop units come with a cost. AXA has a company working on its behalf to let vacant units. Short term leases and competitive rent levels are being used by the centre to attract new occupiers and pop up shops during the current difficult retail market. AXA managers work closely with the Council's Economic Development service to ensure that every expression of interest is actively followed up.

Work is due to start shortly on a major redevelopment of the bus station. This is funded entirely by contributions from the developers of Andover's new housing and employment sites. This will see the facilities significantly improved for existing users and additional services to encourage residents from the new housing developments to the Chantry Centre.

Any individual or business interested in renting a unit in the Chantry Centre should contact Smith Price LLP on 02074092100 or visit their web site @ www.smithprice.co.uk

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Ian Carr', written in a cursive style.

Councillor Ian Carr
Leader of the Council