

Report by the Head of Housing Management

Prince Charles Close Community Hall

1.0 Summary

- 1.1 This report updates the Committee on the current position regarding the lease for the Prince Charles Close Community Hall.

2.0 Recommendation

- 2.1 The Committee is asked to note the report.

3.0 Background

- 3.1 Reports were presented to this Committee on 13th September 2005 and 20th November 2007 outlining the issues regarding the management of this community hall. For many years the building was leased to the Prince Charles Close Residents' Association at a peppercorn rent but following the dissolution of the association, the management of the hall was taken on by the Council's Housing Management Division as a temporary measure.
- 3.2 The hall is available for hire by local residents and for activities that serve the local community at a cost of £10.00 per session (morning, afternoon or evening). It is regularly used for a playgroup and a martial arts class and occasionally hired by local residents for children's parties.
- 3.3 The playgroup hires the building every weekday morning during term time and provides most of the income for the hall. As the principal user, they invariably take responsibility for keeping the building clean, reporting repairs and for providing sundries, such as light bulbs, toilet rolls and paper towels.
- 3.4 Income from the hire of the hall has not covered the cost of running the building in recent years. In 2006/07, the cost of utility services and repairs to the hall was £3,441 but income was only £2,345. The running of the hall was therefore subsidised by the Housing Revenue Account in the last financial year by approximately £1,100.
- 3.5 At the Housing and Central Services Committee meeting on 20th November 2007, officers were instructed to pursue the option of leasing the building to one of the current users on the basis of a commercial lease with full repair obligations.
- 3.6 In the event of this option not being secured, it was resolved that the hall should be converted into Council accommodation.

4.0 Progress to date on leasing the building

4.1 Advice was sought from the Council's Estates Section on the terms of the lease and the following conditions were recommended: -

- **Term:** 5 years.
- **Rent:** £1,750 per annum.
- **Repair Obligations:** Full repairing and insuring lease, for which the lessee is responsible.
- **Services:** The lessee is responsible for all services and utilities to the premises.
- **Professional Fees:** The Council's legal fees are to be paid by the lessee.

4.2 The rent is less than that currently being paid by the playgroup but the lessee will be responsible for paying for repairs and utility services to the building. However, under the proposed terms of the lease, the lessee will have an opportunity to obtain income from renting the hall to other users on a casual basis.

4.3 On expiry of the lease, the lessee will have the right to a new lease on the same terms except for rent, which will be renegotiated.

4.4 Both the playgroup and the martial arts instructor who currently use the hall have expressed initial interest in leasing the property but as the principle users of the hall, it was decided to offer the playgroup the first opportunity to take it on.

4.5 Early indications are that the playgroup organisers are keen to take this further and they are currently working with the Childcare Support Co-ordinator of West Sussex County Council's Early Childhood Service to see whether it is financially viable for them to take on the lease. A decision on this is expected within the next few weeks.

5.0 Conclusion

5.1 It is anticipated that the playgroup or another organisation will take on the lease of the building but if this is not possible, a further report will be presented to this Committee about converting the building into Council accommodation.

Local Government Act 1972

Background Papers:

Housing and Central Services Committee – 13 September 2005

Housing and Central Services Committee – 20 November 2007

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Appendix

1.0 Council Priority

1.1 To put the customer at the heart of our business and to deliver services as efficiently, effectively and economically as possible.

2.0 Specific Targets

2.1 To make best use of an under-utilised council asset.

3.0 Sustainability Issues

3.1 Well maintained and properly managed communal facilities may contribute towards a sustainable community.

4.0 Equality Issues

4.1 Present funding arrangements penalise council tenants at the expense of those living in other forms of tenure.

5.0 Community Safety issues (Section 17)

5.1 Matter considered and no issues identified.

6.0 Human Rights Issues

6.1 Matters considered and no issues identified.

7.0 Financial Implications

7.1 Details set out in Sections 3.4 and 4.1 of the report.

8.0 Legal Implications

8.1 Implications may arise if Housing Revenue Account assets and funding continue to be used for purposes other than originally intended.

9.0 Consultations

9.1 Consultation is on-going with facility users.

10.0 Risk assessment

10.1 Matters considered and no issues identified.

11.0 Health & Safety Issues

11.1 Matters considered and no issues identified.

12.0 Procurement Strategy

12.1 Matters considered and no issues identified.

13.0 Partnership working

13.1 Matters considered and no issues identified.