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<b>REPORT TO:</b>	<b>Finance &amp; Management</b>	<b>AGENDA ITEM: 11</b>
<b>DATE OF MEETING:</b>	<b>6 December 2012</b>	<b>CATEGORY: DELEGATED</b>
<b>REPORT FROM:</b>	<b>Director of Operations</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>Malcolm Roseburgh, 01283 595774 malcolm.roseburgh@south-derbys.gov.uk</b>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>Netherseal Village Hall</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>Seales</b>	<b>TERMS OF REFERENCE:</b>

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## **1.0 Reason for Exempt**

- 1.1 Not applicable.

## **2.0 Recommendations**

- 2.1 To approve expenditure of up to £25,000 on roof repairs and other critical works to Netherseal Village Hall.

## **3.0 Purpose of Report**

- 3.1 Urgent and significant repairs that are the responsibility of the Council are required to Netherseal Village Hall. Capital monies to undertake such work were originally set aside within the capital programme but dependent on the Parish Council signing up to a long full repairing lease. The Parish Council is unable to accept this responsibility but the works are still required. Approval is therefore sought to utilise the capital, properly maintain and secure the future of the building and therefore meet council obligations whilst continuing with the existing lease arrangements.

## **4.0 Details**

- 4.1 In 2003 Committee received a report highlighting the disparity of lease terms in relation to the 4 village halls owned at that time by the District Council, that is, Sutton-on-the-Hill Village Hall, Walton-upon-Trent Village Hall, Netherseal Village Hall and Melbourne Leisure Centre. The report was initiated following an application from Sutton-on-the-Hill Village Hall Committee who sought a new lease to enable them to apply for funding and grant assistance. The report also identified that all the leases had expired and considered new lease options, repair requirements and general financial implications.

#### 4.2 The following recommendations were made

- i That the existing tenancy/occupation arrangements for each village hall or community property be formally terminated.
- ii That new leases be granted on “standardised” terms to the respective organisations that administer the various village halls and other property:-
  - 25 year leases, with break clauses every 5 years;
  - tenant to have full repairing and insuring responsibilities;
  - peppercorn rents “if demanded”
- iii That prior to entering the lease, the Council undertakes the identified repairs for which it currently has liability.
- iv That tenants be required to undertake the identified repairs for which they are liable, within the first 12 months of the new lease.
- v That prior to the above being undertaken, disposal options be discussed with the respective organisations that administer the village halls.

4.3 Further to the initial report a budget of £100,000 was set aside within the capital programme to undertake repairs to the halls that were the responsibility of the Council and would effectively enable the asset transfer.

4.4 In the period since the report repairs costing circa £25,000 per facility have been carried out at Sutton-on-the Hill Village Hall and at Melbourne Leisure Centre. Ownership and management of Sutton-on-the Hill Village Hall has been transferred to the Village Hall Committee and Melbourne Leisure Centre (now Melbourne Assembly Rooms) is run by Melbourne Community Group on a five-year lease with negotiations on the terms of a long lease (25/30 years) well developed.

4.5 At Netherseal there have been protracted discussions with the Parish Council and Village Hall Committee about the requirement for repairs, Council responsibilities under the terms of the existing lease and the terms under which the capital budget would be released to undertake the repairs according to the original committee report.

4.6 The Council’s public buildings officer has commissioned and overseen an inspection of the building with regard to the areas that are the Council’s responsibility under the existing lease. The inspection supports the Parish Council view that urgent and significant works are required particularly to the roof. Within the work estimate there is an option for £7,311 to undertake patch repairs at a lesser cost but this is deemed as both temporary and risky as the builder cannot provide guarantees and the preference is to undertake comprehensive works that should secure the future of the roof for a significant period at an estimated cost of £22,000.

4.7 Under the terms of the existing lease the Council is responsible for roof repairs alongside other structural and external features whilst in simple terms the Parish Council is responsible for internal works and decoration. The existing annual revenue budget for the repair and maintenance of all village halls is £7,000 which is unable to cover the cost of major repairs such as those required at Netherseal.

4.8 In order to meet its obligation as landlord the Council needs to undertake the necessary roof repairs. However the £25,000 capital set aside for such works was originally dependent on the Parish Council agreeing to a long lease as detailed above. Further to meetings, negotiation and correspondence Netherseal Parish Council has determined that it is not in a position to take on a full repairing lease as it does not have access to the finance required to take on repairs likely to be required on a hall of the age and condition of the current Village hall. It indicated that it wishes

to renew the lease on the same basis as the current arrangement although the Council view is that it makes more sense to continue holding over on the existing lease and avoid legal costs for both parties.

- 4.9 In light of the above, committee approval is sought to utilise up to £25,000 from the Village Hall allocation within the capital programme to fund the necessary repairs to Netherseal Village Hall. Whilst the Council has been unable to secure agreement from the Parish Council to a long full repairing lease as originally required for release of the monies, even under the terms of the existing lease it is still required to undertake the works and has no alternative budget. Once completed the works should secure the building's future for community use and allow future works that are the council's responsibility to be met from the existing annual revenue budget.
- 4.10 Should approval be given for the recommended expenditure for Netherseal Village Hall there will remain circa £25,000 available within the capital programme to support repairs to Walton-upon-Trent Village Hall. Negotiations are ongoing with Walton Parish Council which is considering a variety of options to secure the future of a village hall resource for its community.

## **5.0 Financial Implications**

- 5.1 An initial estimate for necessary works was £22,000 but there may have been additional deterioration in the meantime so the recommendation is to set aside up to £25,000 as originally nominated for each of the village halls within the capital programme and seek further quotations in line with financial regulations. Once undertaken, further repairs and maintenance should be met from within existing revenue budgets.
- 5.2 It is considered prudent to undertake the works in the near future to safeguard the building, avoid further deterioration, manage health and safety considerations and protect the council from risk and consequent expense.

## **6.0 Corporate Implications**

- 6.1 Securing the future of the Village Hall contributes to the Lifestyle Choices theme of the Corporate Plan as the activities at the hall support the health and well-being of Netherseal and its surrounding community.
- 6.2 Property and Legal Services officers have been involved in negotiations with the Parish Council and are content that undertaking the repairs and holding over on the existing lease are the best option for the Council given the position of the Parish Council.

## **7.0 Community Implications**

- 7.1 It is important to safeguard the future of Netherseal Village Hall as it is a critical community facility important to local people. Undertaking the works will foster positive working relationships with Netherseal Parish Council.

## **8.0 Background Papers**

- 8.1 None