

Minutes of the meeting of the General Purposes Committee

Date: Monday, 29 June 2020
Time: 18:00
Venue: Virtual via MS Teams Live Events

Attendees:

Councillor Mohammad Aslam, Councillor Jon Ball, Councillor Ranjit Dheer, Councillor Kamaljit Kaur Nagpal (Chair), Councillor Miriam Rice (vice chair), Councillor Sarah Rooney, Councillor Gareth Shaw, Councillor Nigel Sumner, Councillor Hitesh Tailor

1 Apologies for Absence

There were none

2 Urgent Matters

There were none.

3 Declarations of Interest

There were none.

4 Matters to be Considered in Private

There were none.

5 Minutes

The Committee considered the minutes of the meeting on 26 September 2019.

Resolved: that the minutes of the meeting held on 26 September 2019, be agreed, and signed by the Chair, as a correct record of the meeting.

6 General Purposes Committee Report 29 June 2020

Mr Adam Whalley, Assistant Director Capital Investment Programme introduced the report and stated that the General Purposes Committee was meeting as the Victoria Hall Trust and committee members should ensure that they were aware of this and were acting in this capacity. He stated that he was a Council officer and had been asked to act on the Trust's behalf and had done so in preparing and presenting this report for the Trust's consideration. Mr Whalley confirmed that he had no direct role in the Council's proposed deal with Mastcraft. He emphasised that any decisions are ultimately for the Trustees to make and that officers including himself were there to advise and support the Committee in making any decision.

He introduced his colleagues to the Committee as follows:

Ms Helen Harris	Director of Legal and Democratic Services
Mr Andrew Parsons	Interim Programme Manager
Ms Jackie Adams	Head of Legal (Commercial)

Ms Harris is acting as legal advisor to the Trust. Ms Adams and Mr Parsons are advisors to the council and attending only for the purpose of providing information to the Trustees on the background to the Mastcraft deal.

Mr Whalley briefly reminded the Committee of the following details for context:

- In October 2014, Cabinet agreed to prepare a brief and market an opportunity to refurbish and redevelop Ealing Town Hall. In 2016, following an OJEU compliant tendering process, the Council confirmed that Mastcraft would be the Council's preferred bidder to develop the Town Hall, in line with the Council's agreed brief.
- In order for the Council to be able to proceed with the Mastcraft proposal, it is necessary for the Council to secure the Trustees' agreement to the disposal of Trust property. Agreement by the Trust to the Mastcraft proposal will require a Scheme to be made under Section 62 of the Charities Act 2011 which in turn requires the approval of the Charity Commission.
- In its last meeting on 26 September 2019, Mr Whalley had presented a report to the Trustees which further considered the Mastcraft proposal and specifically considered the implications and impact of these proposals for the Trust and the Trust property. That report had taken into account guidance provided by the Charity Commission around ensuring that the Trust was making decisions appropriately and consistent with charity law and followed extensive dialogue with the Commission. The September report had set out a range of options available to the Trust and included an independent valuation of the Trust property which had been carried out on the Trust's behalf.
- Following the Trustees' approval at that meeting to the recommendations in the report, including the Trustees' agreement to approve the Mastcraft proposal, Officers had made a formal application to the Charity Commission for a draft Scheme to be prepared. The Charity Commission acknowledged that the Trustees had properly considered the Mastcraft proposals in line with their guidance and published a draft Scheme in November 2019.
- Following responses received when consulting on the draft Scheme, the Charity Commission undertook a further appraisal of the proposals and in April 2020 published a review of the decision to make a Scheme. The report presented in the meeting provided a summary of the Charity Commission's review and set out (at appendix 4) options for how the Trustees might respond to the Charity Commission's key points. A copy of the full review had been included in Appendix 1 to the report.
- The Charity Commission's review provided a series of comments on the proposals and confirmed that the Trustees should be given the opportunity to re-consider how the Charity's property, if the

Halls are disposed of, can be put to more suitable and effective use for the purposes of the Charity. The Charity Commission further confirmed in its review that if the Trustees wished to continue with the application, it needed to present the Commission with a revised case that demonstrated that the proposals now amounted to a more suitable and effective use for the Trust's property.

- The issues that the Trustees needed to consider had been grouped under main headings in the table within Appendix 4 together with any relevant additional background information and options to be considered. Mr Whalley emphasised that it was for the Committee as sole Trustee to come to its own conclusion as to what response should be made in its name to the points raised by the Charity Commission.
- The Trustees were referred to the recommendations of the report, including the details within Appendix 4, and were asked to consider and form a view as to whether the options and recommendations could be approved at this time or whether further consideration would be necessary.

Mr Whalley finished his introductory remarks by stating that if Trustees required more time to consider these implications before making a decision then they had the option to give direction at this meeting, to ask officers to work up the Trustees' preferred approach in more detail and then to consider that more detailed work at a later meeting. This option was mentioned in recommendation 1.3 of the report.

The Chair thanked Mr Whalley for his introductory remarks and invited Mr Roger Green, Chair of the Friends of Victoria Hall for his comments.

Prior to the meeting the Chair had agreed to permit Mr Green to address the Committee from a written statement sent in advance of the meeting to the Clerk to the Committee and passed on by him to the Chair. Mr Green was given five minutes to present his statement which is reproduced here:

Presentation made by Mr Roger Green, Chair of the Friends of Victoria Hall:

Thank you Chair for the opportunity to speak at this evening's meeting.

First I'd like to address the Committee as Councillors and a long-time resident of the Borough.

To say thank-you for all the Council's work during the present pandemic.

Now I'd like to talk to you as trustees of the charity which owns the Victoria Hall, in which capacity you are convening this evening.

The aim of FoVH is to ensure a secure future for the Victoria Hall complex so that the whole community can continue to use all of it.

I'm here to ask you to do what trustees do: represent the beneficiaries of the charity. In this case they are people of Ealing.

The Charity Commission Review into their charity was conducted by a very senior official, the Head of Technical Casework & Quality Assurance. He's been there since the 1970s and leads a 53-person team. This shows how seriously the matter's being taken.

In its official media statement released with the Review, the Charity Commission said: "We are not satisfied that the decision to lease to the commercial developer, on the terms agreed, is in the best interests of the charity [Victoria Hall Trust]. We expect the charity to reconsider this deal, in light of our decision, and we have made a series of specific recommendations to the charity to consider."

While Friends of the Victoria Hall does not believe that the Commission has gone far enough – and that is a matter we are taking up with them – this Review makes it clear that the Scheme as proposed is not in the best interests of the Trust. It will have to be substantially changed to succeed.

We've looked closely at Appendix 4 of the papers for this meeting.

Regrettably, your officers' report has not faced up to the major issues raised by the Review about the failure of the Scheme to protect the objects of the Trust, in particular:

- The extent of the Trust's property
- The Scheme's failure to secure the best return for disposal of its assets
- How the interests of a commercial hotel operator can be reconciled with the needs of the intended beneficiaries of the Trust
- The potential for conflict of interest between the Trust and the Council

Appendix 4 claims in a number of places that the boutique hotel scheme will provide community groups with as good as or better access to facilities than before.

How can that be when community rates won't be available on Friday nights or all-day Saturday and Sunday?

How can that be when some of the groups that historically used the Victoria Hall will no longer qualify for Community Rates?

And how can that be when the Council – and I mean the Council and not the trustees – won't commit to co-opting even a single community representative for managing a post-Mastcraft Victoria Hall.

Appendix 4 is infused with the naive view that some things will be negotiable after the deal is done. This is a totally unrealistic expectation in current times.

In summary: the Charity Commission Review makes it clear that you as trustees need to come back with satisfactory proposals.

Ignore the Charity Commission at your peril.

There is a very high risk that they will reject any half-heartedly revised Scheme. Thank you.

Take the opportunity tonight to demonstrate that you can rise above the conflict of interest.
Do the right thing for the charitable Trust.

End of Mr Roger Green's presentation.

The Chair thanked Mr Green for his presentation and invited comments from the Officers.

Mr Whalley stated that it was for the Trustees to reach their own views on Mr Green's presentation but pointed out that Appendix 4 contained a comprehensive summary of key points from the Charity Commission Review.

Ms Harris commented that Mr Green was right that the trust had primary responsibility for the Victoria Hall Trust. The Trustees have already met several times to consider their role and the Mastcraft scheme. Every meeting of the Trustees had involved extensive debate and third parties had always attended and contributed. However, Ms Harris indicated that if the Trustees felt that any aspects of the Scheme had not been fully explored then it was within the remit of the Trustees to request more information or consideration.

The Chair reminded members that they could ask questions and make points about the main Report but reminded them that there was a short time to respond to the Charity Commission. She therefore suggested that the Committee work through Appendix 4 of the Report with the aim of giving officers a broad steer regarding which options the Trustees wished to take forward. The Trustees could then hold another meeting in a few weeks' time to discuss officers' more detailed work in response to the steer provided by the Trustees.

The Members of the Committee made the following points:

- Councillor Ball stated that Section 3.4.8 on page 36 of the report went through 9 problems with the scheme as originally proposed and seemed quite fundamental
- Councillor Sumner pointed out that the opposition position had been sent through to the Chair
- Councillor Shaw pointed out that the object of the trust indicates provision of space and not specific space for instance Victoria Hall, therefore other suitable space such as Greenford Hall could be considered
- Councillor Ball asked how can the Charity Commission determine whether the Trust is getting a fair share of the premium?

- Councillor Ball also asked why should there be a valuer working on behalf of the Council and how could a valuer instructed by council officers remain independent?

Officers responded as follows:

- that Councillor Ball's comments would be covered as part of the review of Appendix 4 which set out the views of officers.
- that when the Mastcraft scheme was first considered by Cabinet it was not appreciated that part of the Town Hall was owned by the Trust and that the Charity Commission review had come quite late
- expressing doubts that there was any suitable equivalent space as an alternative to Victoria Hall in Ealing
- The current financial position of the Trust was unlikely to enable a disposal and swap to another alternative equivalent location even if one could be found.
- Officers are clearly differentiated between those acting on the Council's behalf as a corporate entity and negotiating the deal with Mastcraft and those providing advice to the Trust. Ms Harris confirmed that the alternative would be for the Trust to employ its own officers direct, although that this would involve the additional expenditure which was felt to be unnecessary and unlikely to be affordable.
- That officers only reflect valuation advice provided to them by recognised, reputable and qualified valuers
- It is up to the trust to make sure that the advice is good and that interests are protected

The Chair stated that she wanted the Trustees to focus on getting through Appendix 4 and to review and vote on each item

The Chair established that there were no further questions for officers and directed the meeting to Item 1 on page 69 of the report (Appendix 4)

Due to communication difficulties Councillor Aslam was unable to vote.

Item 1 Charity Commission Review paragraph 4.5.3(a) - The best interests of the Trust regarding the apportionment of premium and rent income will be protected by means of a negotiation between valuers instructed on behalf of the Trust and the Council respectively. Delaying a response to the Charity Commission is not recommended because of the need to resolve the Scheme and the limited time for doing so.

Officers' Recommendation

The best interests of the Trust regarding the apportionment of premium and rent income will be protected by means of a negotiation between valuers instructed on behalf of the Trust and the Council respectively. Delaying a response to the Charity Commission is not recommended because of the need to resolve the Scheme and the limited time for doing so.

The Chair asked the committee to vote for

A) reaffirming authorisation of the last meeting on 26 September 2019 or,

B) to delay a response to the Charity Commission until the details of the apportionment have been agreed.

Votes were cast as follows:

Councillor Rice: A
Councillor Ball: B
Councillor Dheer: A
Councillor Rooney: A
Councillor Shaw: A
Councillor Sumner: B
Councillor Taylor: A
Councillor Nagpal: A

Councillor Aslam was unable to vote due to technical difficulties

The committee therefore resolved by 6 votes to 2 to reaffirm the decision made at the last meeting of 26 September 2019

Item 2 Charity Commission Review paragraph 4.5.3(b)

Consideration should be given to the public's need for facilities for recreation or other leisure-time occupation, having regard to current social and economic circumstances and the type of facility required to meet those needs. For instance, a study could be commissioned from relevant experts to provide this information. This could include consideration of the extent that the renovated Victoria Hall and the Queen's Hall will provide suitable facilities for recreational and leisure time occupation and the type of use that might be made of them.

Officer's Recommendation

A new assessment is highly unlikely to reveal any significant additional information about the demands for space for public recreation and leisure time occupations in the area, or reveal any material change in the social or economic factors that bear on that. Also, the time it is likely to take to carry out that assessment would be likely to put the current proposals at risk (bearing in mind that without redevelopment, the Trust would then be seeking to rely on continued financial support from the Council).

The following points were made by different committee members during the debate:

- That the Charity Commission had made particular mention of this item and that the Trustees should not go against this recommendation
- Councillor Rooney raised a question around the need for clarification of criteria for hiring the facilities in the future
- Councillor Rice stated that Community groups need to feel comfortable in use of the facilities and would that be possible under the guise of a boutique hotel and would users be welcome?
- Councillor Shaw pointed out that one of the objectives of the Trust is to provide better facilities for the community to use, this was an opportunity for a local facility, widely used by community groups to meet that objective
- Councillor Ball pointed out that halls were only available to community groups which could potentially preclude other users

- Councillor Ball asked whether anything had been changed as a result of the Charity Commission's recommendations
- The premium payable to the Trust should be higher
- Councillor Nagpal pointed out that a great many community groups use the Town Hall facilities
- What criteria are used for hiring facilities in the future?
- Councillor Shaw pointed out that the breadth of community provision is restricted, and this provision is for the borough
- Councillor Ball was Concerned about the swap of Queen's Hall with Princes Hall. Are they of equivalent value?

Officers responded saying:

- Co-opted people could be involved in the steering group, which may address concerns over exclusion
- A premium is payable to the Trust and some could potentially be used to reduce costs for community use, though this would reduce monies available for other purposes
- A community use protocol sets out a long list of criteria for use of the community and letting rates
- There are eligibility criteria for discretionary rates for registered charities. These criteria could be widened, though this would reduce the income
- Section 3 Appendix 3 describes a Community user working group designed to ensure engagement with the community going forward.
- Although Victoria Hall would be operated by the hotel, Queen's Hall would not be part of this arrangement and remains within the Council's retained area of the Town Hall.
- A contract has been signed by the London Borough of Ealing with Mastcraft last year. Any proposals to change usage arrangements would require a re-negotiation with Mastcraft
- Officers could look at widening the community user provisions for the Queen's Hall
- Queen's Hall is more appropriate for community use than Princes Hall as it better met the needs of the public
Final apportionment has not been agreed but it would not be based on square footage. This point had been debated at some length in the past
- The Trust has separate advisors to the Council, although these advisors are council officers (provided under a 100% subsidy arrangement) or external contractors engaged by officers on behalf of the Trust and paid for as an overhead of the Town Hall regeneration project. The Trust has neither the means nor the scale of operation to directly employ its own separate staff. All officers and external advisors are fully aware of their responsibilities to the Trust.
- With due respect to the Charity Commission that officers, external advisors and fundamentally the Trustee are more familiar with Ealing Town Hall and the Trust property within it
- It was pointed out there were several contradictions within the Charity Commission's review and so not all of its recommendations could be agreed to.

With regard to the needs of the public in Ealing the Chair asked the Trustees to vote whether

A) to accept that based on the existing evidence the proposals met the demands for space for public recreational and leisure time occupations in the area or,

B) commission a new study to reassess the demands for space for public recreational and leisure time occupations in the area

Votes were cast as follows:

Councillor Rice: A
Councillor Ball: B
Councillor Dheer: A
Councillor Rooney: A
Councillor Shaw: A
Councillor Sumner: B
Councillor Taylor: A
Councillor Nagpal: A

Councillor Aslam was unable to vote due to technical difficulties

The Committee therefore resolved by 6 votes to 2 to accept that based on existing evidence the proposals met the demands for space for public recreational and leisure time occupations in the area

Item 3 Charity Commission Review paragraph 4.3.9

The Queen's Hall Assessment of which of the halls [*Queens and Prince's*] provides the type of facility and space that best meets the needs of the public for recreational and leisure time occupation

Officers' recommendation

Given that an independent property consultant acting for the Trust has already made an assessment it is not considered necessary to commission any further assessment particularly given the risk of the delay to the project that this may cause.

The Chair asked the Trustees to give a steer officers by voting for the officer's recommendation to refurbish Queen's Hall or look at further options

The Chair asked the Trustees whether:

A) to reaffirm that it is accepted that a newly refurbished Queen's Hall better meets the needs of the public for recreational and leisure time occupation than a refurbished Princes Hall based on the Sanderson Weatherall's independent assessment or,

B) the Trustees commission a further opinion to appraise the two spaces and their relevant potential.

Votes were cast as follows:

Councillor Rice: A
Councillor Ball: B
Councillor Dheer: A
Councillor Rooney: A
Councillor Shaw: A
Councillor Sumner: B

Councillor Taylor: A
Councillor Nagpal: A

Councillor Aslam was unable to vote due to technical difficulties

The Committee therefore resolved by 6 votes to 2 to reaffirm that it is accepted that a newly refurbished Queen's Hall better meets the needs of the public for recreational and leisure time occupation than a refurbished Princes Hall based on the Sanderson Weatherall's independent assessment.

Item 4 Charity Commission Review paragraph 4.5.3(c)

The Commission needs clarity about how the Trustees propose to use its share of the premium, in the light of any study commissioned as above and for what purpose the interest from its investment and its share of the rent will be used.

For instance, whether a new property should be purchased for use for the objects, such as a community hall in an area of Ealing without any such facilities.

There were no questions.

The Chair asked the Trustees to decide whether

A) to defer a decision on use of the premium until after a scheme had been approved.

B) Not to defer a decision on use of the premium until after a scheme had been approved.

The Chair asked the Trustees to vote on Item 4 which was about use of premium and rent and to decide whether to defer any decision as to how the premium income might be used until the scheme has been approved but to give that active consideration once the scheme is made and by means which are consistent with the objects of the charity as updated or consider and agree what use the premium income would be put to before responding to the Charity Commission.

Votes were cast as follows:

Councillor Rice: A
Councillor Ball: B
Councillor Dheer: A
Councillor Rooney: A
Councillor Shaw: A
Councillor Sumner: B
Councillor Taylor: A
Councillor Nagpal: A

Councillor Aslam was unable to vote due to technical difficulties

The committee therefore resolved by 6 votes to 2 to defer a decision until a scheme had been approved.

Item 5 Charity Commission Review paragraph 4.5.3(d)

Thought needs to be given as to how the community use protocol can be strengthened to ensure the hotel will be obliged to let the facilities for community use, how this will be monitored and how it would be enforced

Officer's recommendation

Although the Protocol as it stands is enforceable and comprehensive, the Council has confirmed that Mastcraft are amenable to the Protocol being further developed to accommodate the matters referred to.

Councillor Ball made the following comment:

- Definition of community use could be widened to incorporate for instance people without a properly constituted organisation

Officers commented:

- That this was a helpful suggestion and that the community use protocol could be adjusted to make it as strong as possible in favour of communities, but it would need to be within the commercial deal with Mastcraft.
- Changes to the protocol for the use of the Queen's Hall would be much easier, as it will be managed by the council on behalf of the Trust and will not form part of the property to be managed by the hotel
- As a contract has already been entered into with Mastcraft, any request for change would require approval by Cabinet to reopen negotiations with Mastcraft, which could cause delays and additional expense; Queen's Hall is an easier proposition
- There needed to be a balance between the availability of concessionary hire rates income and the ability to raise sufficient income to manage and maintain the property to an acceptable standard without ongoing subsidy from the council.

The Chair asked the Trustees to vote on whether:

A) to make no further changes to the community use protocol on the basis that it contains clear and enforceable protections to the Trust or,

B) that a request is made for Mastcraft to further develop the community use protocol and that this could include adding further provision to the protocol requiring them as hotel operator to prioritise community over commercial use, a requirement to actively encourage advertising the use of those areas for community purposes, the introduction of further monitoring requirements and an ability to ensure compliance with the protocol by means of other steps prior to enforcement of the lease by way of legal action.

Votes were cast as follows:

Councillor Rice: B
Councillor Ball: B

Councillor Dheer: A
Councillor Rooney: A
Councillor Shaw: A
Councillor Sumner: B
Councillor Tailor: No vote as had left the meeting at 7:30pm
Councillor Nagpal: B

Councillor Aslam was unable to vote due to technical difficulties

The committee therefore resolved by 4 votes to 3 that a request is made of Mastcraft to further develop the community use protocol.

The Chair noted that Councillor Tailor had left the meeting during this item prior to the vote, having informed the chair of his intention earlier in the meeting.

Item 6 Charity Commission Review paragraph 4.5.3(e)

Procedures need to be implemented to manage any conflicts of interest which may arise between the Council and the Charity.

The report highlighted that the conflict of interest point has been very thoroughly considered and taken into account. Nevertheless, and in order to provide further assurance to the beneficiaries of the Trust going forward, the Trustees should give further thought to these arrangements (including for example the co-option of external representatives as trustee(s))

The Chair asked the Trustees to vote on whether in managing conflicts of interest:

A) Note that procedures need to be put in place to manage conflicts of interest which may arise between the council and the charity and reaffirm that existing procedures which are consistent with earlier guidance from the Charity Commission are already in place to manage potential conflicts of interest or,

B) Reaffirm that existing procedures are in place to manage potential conflicts of interest which are consistent with earlier guidance from the Charity Commission but undertake to review those arrangements to see what additional procedures can be put in place going forwards.

Votes were cast as follows:

Councillor Rice: B
Councillor Ball: B
Councillor Dheer: A
Councillor Rooney: A
Councillor Shaw: B
Councillor Sumner: B
Councillor Nagpal: B

Councillor Aslam was unable to vote due to technical difficulties
Councillor Tailor: No vote (had left the meeting)

The committee therefore resolved by 5 votes to 2 to reaffirm that existing procedures are in place to manage potential conflicts of interest which are consistent with earlier guidance from the Charity Commission but

undertake to review those arrangements to see what additional procedures can be put in place going forwards.

Item 7a the spirit of the original gift

The Charity Commission are of the view that this is 'the provision of facilities for recreation and other leisure time occupation in the interest of social welfare for the public of Ealing and its neighbourhood'

Officers' recommendation:

Given that the proposal will both secure the availability of premises for recreational and leisure purposes and is likely to create surplus income for the Trust (and which may then be applied for compatible purposes) it would appear that this requirement has been met.

The Chair asked the Trustees to consider whether the provision of facilities within the scheme was in the spirit of the original gift of the facilities to Ealing or whether other options needed to be considered.

The Charity Commission are of the view that the spirit of the original gift is the provision of facilities for recreation and other leisure time occupations in the interests of social welfare for the public of Ealing and its neighbourhood.

In relation to amending the proposals to reflect the view of the Charity Commission options available to the trust would be:

The Chair asked the Committee to vote on whether:

A) To agree that the proposals available to the trust are in the spirit of the original gift or,

B) To reconsider what viable proposals should be considered to be in the spirit of the original gift.

Votes were cast as follows:

Councillor Rice: A

Councillor Ball: B

Councillor Dheer: A

Councillor Rooney: A

Councillor Shaw: A

Councillor Sumner: B

Councillor Nagpal: A

Councillor Aslam was unable to vote due to technical difficulties

Councillor Tailor: No vote (had left the meeting)

The committee therefore resolved by 5 votes to 2 to agree that the facilities within the scheme were in the spirit of the original gift and therefore other options did not need to be sought.

Item 7B

the desirability of securing that the property is applied for charitable purposes which are close to the original purposes

The Charity Commission confirm that they consider these to be facilities that can be provided in Ealing generally i.e. not necessarily in the Victoria Hall or Prince's Hall.

Officers' recommendation:

Any outright disposal of the Trust Property pre-supposes that the resultant receipt would enable the Trust to acquire new property better suited to meeting the Trust's objects, and that there would be a willing buyer for the Trust Property. Neither assumption is supportable. Even if the Council disposed of the Town Hall without any retained community use, it is unlikely that the resulting share of premium obtained by the Trust would be sufficient to fund the acquisition of such new premises. Also, it is clear that the beneficiaries want the Trust to retain its current ability to provide facilities in the Town Hall.

The Chair asked the Trustees to vote to decide whether:

- A) To proceed with the disposal to Mastcraft deal as previously agreed or
- B) to review options for disposal of Victoria Hall and Princes Hall to secure a capital receipt to secure other premises

Votes were cast as follows:

Councillor Rice: A
Councillor Ball: B
Councillor Dheer: A
Councillor Rooney: A
Councillor Shaw: A
Councillor Sumner: B
Councillor Nagpal: A

Councillor Aslam was unable to vote due to technical difficulties
Councillor Tailor: No vote (had left the meeting)

The committee therefore resolved to vote by 5 votes to 2 to go ahead with the Mastcraft deal.

Item 7C

c) the need for the relevant charity to have purposes which are suitable and effective in the light of current social and economic circumstances

Officers' recommendation:

No decision is required, but the response to the Charity Commission will reference this factor.

The Chair told the Trustees that no decision was needed for this item due to current economic circumstances

Item 9A (Page 80 of report)

- (a) A 250-year lease is realistically a permanent disposition of the property. The charity will therefore no longer have any freehold designated land and will not have full control over the use of the property that it receives under sub-leases.

Officers' Recommendation:

Option b This will assure the Charity Commission that the lease structure not only reflects the suggestions they made, but also deals with the underlying concern about "control".

The Chair asked that in relation to the issue of the loss of the freehold by the trust of the property the Trustees to confirm whether:

A) To confirm to the Charity Commission that the existing lease structure combined with the community use covenant does in fact provide the Charity with the control referred to or,

B) To give confirmation under (A) but also confirm the amendment to the protocol referred to (ie. strengthened control of the Queen's Hall).

Votes were cast as follows:

Councillor Rice: B
Councillor Ball: B
Councillor Dheer: A
Councillor Rooney: A
Councillor Shaw: B
Councillor Sumner: B
Councillor Nagpal: B

Councillor Aslam was unable to vote due to technical difficulties
Councillor Tailor: No vote (had left the meeting)

The committee therefore resolved by 5 votes to 2 to give confirmation under the first option but also confirm the amendment to the protocol (ie. strengthened control of the Queen's Hall).

Item 9A-b (page 81)

- (b) [the charity commission could not] see that any consideration has been given as to whether the proposals are the best that can be obtained for the Charity - the terms of the disposal were agreed by the Council in its corporate capacity before it realised that the Halls are held on charitable trust. The report and valuation prepared by for the Council by Sanderson Weatherall dated 9 September 2019 does not do this, having been prepared on the basis of the proposed transaction. Although the proposals were considered by the General Purposes Committee acting as trustee in September 2019, it consists entirely of members of the Council and is inherently conflicted.

Officers' recommendations:

Option a.

Whilst it might be possible to entirely reverse out of the current proposal, the Trustee may conclude that the current proposal is the best that can be obtained because

- (i) the Council ran a competitive process,
- (ii) that process was premised on the retention of community use on essentially the same basis as current,
- (iii) the resulting lease premium and rent are the best consideration obtainable (and have been signed-off as such by valuers),
- (iv) the Trust take a share of that premium and rent (on a fair and equitable basis), and
- (v) ongoing use of the Trust property is protected by the lease structure and Protocol.

Also, the Trustee may recognise that available options do not include the status quo, whereby it seeks to continue a reliance on Council subsidy.

Councillor Ball expressed the following opinion:

- the Officers' proposal was ignoring the Charity Commission.

Officers responded by saying:

- In September 2019 a comprehensive set of options was set out in a report to the Trustees, including do nothing.
- It is the view of officers that the Mastcraft deal represents the best option for the Trust. This view was accepted by the Trustees when it was last considered by them.
- The Charity Commission have expressed their view and officers have looked at all viable options
- There had been an extensive public consultation exercise

The Chair asked the Trustees to confirm whether all options for the Trust Property had been explored in a fair and independent way, or a further review of options should be undertaken

In relation to considering whether the proposals are the best that can be obtained for the trust options available would either be

A) To confirm the trustee has evaluated all options including whether to reverse out of the proposed transaction and has done so with an independent mind acting in the interests of the Trust and its beneficiaries or.

B) Undertake a further review of options for the Trust property

Votes were cast as follows:

Councillor Rice: A
Councillor Ball: B
Councillor Dheer: A
Councillor Rooney: A
Councillor Shaw: A

Councillor Sumner: B
Councillor Nagpal: A

Councillor Aslam was unable to vote due to technical difficulties
Councillor Tailor: No vote (had left the meeting)

The committee therefore resolved by 5 votes to 2 to confirm that all options had been explored in a fair and independent way and in the best interests of the Trust.

Item 9.A(c)

(c) If, despite the covenants, the hotel operator refused to let the hall to community groups, it is not clear how this could be enforced. Whilst it would seem to fall to the Council in its corporate capacity as landlord to enforce the community use, it may have no incentive to do so. The Council as trustee would not have any funds to take legal action and it seems unlikely that the Council as trustee would act against the Council as landlord to enforce the community use.

Officers' Recommendation:

Option c)

A Management Services Agreement will be developed and will include the agreed hiring processes for the Victoria Hall. Once this has been agreed with the hotel operator the Community Use Protocol can be amended to align with the process for the Victoria Hall and for completeness could include the Queens Hall.

The Council have confirmed that Mastcraft are amenable to this.

Officers confirmed that 9A(c) encompasses 9A-(b)

The Chair asked the Trustees to vote on whether to retain the protocol as drafted or amend the protocol to incorporate 9A(c)

- A) Retain the protocol as drafted
- B) amend the protocol to reflect the sub under-lease of Queen's Hall or,
- C) amend the protocol to include controls on the hire of Victoria Hall and Queen's Hall

Votes were cast as follows:

Councillor Rice: C
Councillor Ball: C
Councillor Dheer: A
Councillor Rooney: A
Councillor Shaw: C
Councillor Sumner: C
Councillor Nagpal: C

Councillor Aslam was unable to vote due to technical difficulties
Councillor Tailor: No vote (had left the meeting)

The committee therefore resolved by 5 votes to 2 to amend the protocol to include controls on the hire of Victoria Hall and Queen's Hall and therefore to incorporate 9A(c).

Item 9A-d

- (d) The Halls will only be available for hire by, basically, registered charities and non-profit community groups with the majority of their members resident in Ealing. Whilst this may be a convenient way for the hotel to check whether a group is entitled to the reduced charges, this would potentially preclude other users

Officers' recommendation - Option a)

The current system has worked successfully and there is not deemed any reason to amend it at this time.

The Chair asked the Trustees to vote on whether to

A) retain the proposal as drafted which would exclude certain groups or,

B) amend the protocol to make it clear that any members of the public can hire Victoria Hall

Votes were cast as follows:

Councillor Rice: A
Councillor Ball: B
Councillor Dheer: A
Councillor Rooney: A
Councillor Shaw: A
Councillor Sumner: B
Councillor Nagpal: A

Councillor Aslam was unable to vote due to technical difficulties

Councillor Tailor: No vote (had left the meeting)

The committee therefore voted by 5 votes to 2 for officers to retain the protocol as currently drafted

The Chair advised the committee that items 9A(e), 9A-(h) inclusive did not require a decision at the moment as they had already been discussed and told the committee that these would be part of the response to the Charity commission. The Chair also suggested that the committee came back in about a month to review the more detailed responses to the Charity Commission officers produce, based on the steer given by the votes at this meeting.

The Chair then asked if another meeting was necessary to go through the detailed responses. The committee decided unanimously voted to hold another meeting by 7 votes to none.

The Chair thanked the committee for getting through a very full meeting.

7 Date of Next Meeting

The next meeting of the General Purposes Committee was provisionally scheduled for 30 July 2020 at 7pm but the clerk was asked to canvass the committee on dates.

The meeting finished at 8:45pm.

COUNCILLOR NAGPAL (CHAIR)