

Minutes of the meeting of the General Purposes Committee

Date: Wednesday, 9 December 2020

Time: 18:10 (delayed start due to technical issues with joining for some members)

Venue: Virtual via Zoom

Attendees:

Councillor Kamaljit Kaur Nagpal (Chair), Councillor Miriam Rice (Vice Chair), Councillor Steve Donnelly, Councillor Jon Ball, Councillor Ranjit Dheer, Councillor Sarah Rooney, Councillor Gareth Shaw, Councillor Nigel Sumner, Councillor Hitesh Tailor

1 Apologies for Absence

Councillor Aslam was unable to attend and Councillor Donnelly was substituted for him.

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 30 July 2020.

Resolved: that the minutes of the meeting held on 30 July 2020, be agreed, and signed by the Chair, as a correct record of the meeting.

6 General Purposes Committee Report 30 July 2020

The Chair introduced the officers

Representing the Trust:

Mr Adam Whalley, Assistant Director, Capital Investment Programme
Ms Helen Harris, Director of Legal and Democratic Services

Advisors to the Council and attending only for the purpose of providing information to the Trustees on the background to the Mastcraft deal:

Ms Jackie Adams Head of Legal (Commercial)

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The Chair directed the Committee members to the report and the Recommendations. Item 1.1 of which related to the appointment of two independent non-voting co-opted members of the committee who had been interviewed by a panel and recommended for this role.

It was agreed at the last meeting to appoint one independent non-voting co-opted member to the Committee. Helen Harris put together a role profile and the candidates were invited by advert to apply. Out of a number of good candidates who applied it was decided to recommend that two excellent candidates were appointed.

At the invitation of the Chair, Ms. Dippy Chaudhary introduced herself to the Committee explaining that she

- was a documentary film maker for the BBC having left about 1 month previously and lived in Southall
- knew Victoria Hall very well as she and her family had used the facilities it had to offer and would be honoured to be part of the Trustees working on the future of Victoria Hall.

Mr Ian Patterson had:

- lived in Northfields area for many years and his children grew up there and had left home.
- worked for a variety of London Boroughs but never Ealing
- worked on Capital Projects, most recently for Camden and was the Lead Officer for the refurbishment of Camden Town Hall which he said was the reason for his interest in this fascinating project.

Resolved:

That the Committee agreed, with immediate effect, the interview panel's recommendation to appoint two independent non-voting co-opted members of the General Purposes Committee and further agreed that Ms Dippy Chaudhary and Mr Ian Patterson were appointed to these roles, in relation only to the Committee's function as Trustees of the Victoria Hall Trust

Mr Whalley welcomed the new independent non-voting co-opted members to the panel and presented the report.

Mr Whalley reminded the committee that:

- he worked for Ealing Council as an officer but was not directly involved with the Council's deal with Mastcraft
- He had been asked to act on behalf of the trustees and to report to the Committee as trustees
- In terms of the report the Committee had just agreed to the first recommendation
- The rest of the report were items to note

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- This was the third meeting in a series of three the first two of which were in June and July 2020 and were largely around the response to the Charity Commission's Decision Review which was issued in April 2020.
- The report had a series of recommendations to note, the principal one being that a response had been submitted to the Charity Commission by the Chair and was appended to the report as Appendix 1, which was also covered in the minutes of the last two meetings of the Trust
- In recommendation 1.3 and since the last meeting in July 2020 a further valuation has been commissioned on behalf of the Trust from Sanderson Weatherall who were the valuers who produced the initial advice to the Trust in September 2019 .
- The further Sanderson Weatherall valuation report has been sent to the Charity Commission and was appended to the report
- A further appendix to the report was the Community Use Protocol with tracked changes which had been discussed by the Trust before and is to be a legally-binding document intended to protect the interests of the Trust and the Community in the Trust's assets
- There had been further changes to that document in line with the comments received from the Charity Commission to strengthen aspects in the Trust's interest
- The final recommendation to note was that an updated set of accounts was to be provided as soon as possible, and hopefully for the next meeting on 28 January 2021 for the Trust's consideration.

Referring to Recommendation 1.2 which was the Sanderson Weatherall valuation Councillor Ball asked:

- whether anything had been done to take into account the difficulty of operating the Trust's property as an independent operation because of the swap in the agreement of the Princes Hall for the Queen's Hall; two disconnected elements of property at opposite ends of the building.
- There had been a separate valuation for each space together with reasoning why it was acceptable that the property that was valued a little less however, had anything been done to take into account that the current Trust property was greater than the sum of its parts?

Mr Whalley responded by saying that:

- Sanderson Weatherall had acknowledged that there was a difference between the Princes Hall and the Queen's Hall and the fact the Princes' Hall was directly beneath Victoria Hall. Sanderson Weatherall concluded that notwithstanding the physical separation of Princes Hall to the Queen's Hall, the new proposal offered a more flexible space, and this advice was given with the points that have been raised in mind.
- There were differences in the spaces as the Queen's Hall sits

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within the Council's retained part of the Town Hall and not in the Mastcraft element of the proposal, whereas Victoria Hall is within the Mastcraft element. This implied that there would need to be two distinct arrangements for the two in terms of operational arrangements and these were being worked on in discussion with Council Officers who were working on the Mastcraft deal.

Ms Harris responded that:

- Sanderson Weatherall were very experienced professional valuers and had been made very aware that their valuation was to be an independent valuation on behalf of the Trust and not the Council and the valuer visited the building and set out his understanding of the different halls and their relationship to each other, including the distance between the Queen's Hall and the Victoria Hall. Given the professionalism and experience of the valuer, Ms Harris was of the opinion that the points raised by Cllr Ball would have been taken into account.

Ms Adams added that:

- The issue had been raised before by the Trust, in the context of the ability of the Victoria Hall being able to function independently and there was discussion around that previously raised by the Charity Commission in that even with the Princes Hall being underneath Victoria Hall both had a secondary entrance, rather than a main entrance, independent of the Council, as the main entrance was in the middle of the Town Hall and would share the same staircase needed to enter the Council part of the building.
- It would have been raised by the valuer had it been an issue.

Councillor Rice:

- Commented that from her personal experience she had used the Queen's Hall to go to many charity events which made a lot of money for local charities and used it for university examinations. Her experience of Princes Hall was to attend cocktail parties and not much else and so felt on the basis for her experience Queen's Hall had more utility to it.
- Asked about the operating cost assessment which stated that due to limited financial information provided the operating costs were difficult to accurately determine and wondered if the officers felt that that was an issue as that would have significant influence over what the Trust's views were on the valuation, being an important aspect of it and would be crucial to the operation of the Hall

Mr Whalley responded that:

- operational costing information had been provided to the valuer in August/September 2019.
- the account information provided was limited by the fact that the

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Trust had only been re-instated relatively recently and so historical accounts did not exist.

- Retrospective calculations of operating costs were indicative only
- The overhead costs and the hire rates to the Trust's property provided were robust prior to the recent closure
- The valuer had subsequently deemed that they had sufficient information to give the Trust the recommendation given reaffirming the recommendation given last year.

Councillor Shaw commented that:

- The valuers had been challenged by the lack of financial information that had been provided for reasons just explained and not least the fact the Town Hall had been closed due to the pandemic and also because the Community Use rates were fixed over a 10-year period
- In spite of these issues the valuers had done a good job of the valuation
- The valuers had worked on the conservative assumption of 30 – 35% occupancy rates and it was to be hoped that it would actually be better than this particularly with suitable marketing.

MrPatterson:

Referenced the fact that the Trust was to meet utility costs of Queen's Hall and assumed this would also cover those costs for Victoria Hall. Were these costs all or a proportion of the utility costs? Commercially that could be important.

Mr Whalley responded that:

- There would be different arrangements for the Queen's Hall to the Victoria Hall as they would be covered under different demises.
- representing the Trust and his position in the Council, his expectation was that there needed to be sub-metering of the Trust's property so that the Trust could properly account for its consumption of utilities for its assets
- he expected to see this as the project progresses through construction to completion and that the Trust would have full transparency of costs which would be part of its accounts going forward.

The Chair moved to Recommendation 1.4 – the Community Use Protocol

Mr Patterson stated that he thought the development of the document as shown by the tracked changes was useful to see but wanted to understand the status of it as he believed it had not been agreed between the Council, Mastcraft or the Trustees.

Mr Whalley stated that:

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- the document had been circulated to all parties and all had indicated that they had accepted the amendments
- the document had not yet been agreed including by the Trust
- there was a sequence of events required before this could happen including receiving the Charity Commission's reaction to the report to ensure that it demonstrated the progress they wanted to see
- Subject to that and any other feedback provided that could change the agreement Mr Whalley regarded the document as essentially agreed pending signature.

Ms Harris responded that:

- the Community Use Protocol was part of the deal with Mastcraft and was a particularly complex part and had been of particular interest to the Trust.
- Mr Whalley had authorised conclusion of final elements on behalf of the Trust with the Council and Mastcraft so what was before the Trust was the latest update of where those negotiations were.
- Negotiations were normally driven by the developer's timeline but because of the Charity Commission's intervention in this case which was beyond the control of the Council, Mastcraft and the Trustees, the negotiations had been slowed
- officers had felt it important to show the Trustees where negotiations had reached
- as the Community Use Protocol is at the heart of what the Trust is for, officers wanted to give the Trust a view of what would hopefully be the final position, while noting that it had not been finally signed off yet.

Ms Adams added that:

- although the agreement with Mastcraft had not been signed yet the untracked part of the attachment was part of the proposed lease with Mastcraft which was attached as part of an agreed document
- the wording of the agreement was agreed, and the tracked changes contained the wording that officers were seeking the Trust's approval for, but this would only be after the Charity Commission have responded to the report.

Councillor Shaw:

- noted that the document had been looked at in some detail by the Trust which had had some good debate and discussion on it.
- asked with regard to the 10-year restriction referred to in the document, did that 10-year restriction begin on the start of use of the Community Rooms or would it run from the signing of the deal with Mastcraft which could be very different?
- Asked in terms of the Community Users Group which had been

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discussed, there was a proposal for the Community User Group to be set up to monitor this process, at what stage would this be set up?

- thought it was a good idea for the Community User Group to be set up at an earlier stage to have a view of the document once the deal was completed so that it knew what it was holding Mastcraft to account for.

Ms Adams clarified that:

- The ten year restriction period would not begin until use began.

Mr Whalley responded that:

- there was nothing he was aware of legally stating when the Community Users Group could be set up but felt like Councillor Shaw it should be sooner rather than later.
- It would be down to the Trustees to decide who would be best out of the Trust to be an advocate on the group.

Ms Harris commented that:

- With regard to the membership of the Community Users Group it was agreed in one of the late summer meetings that when the Independent Trustees were appointed, they would also sit on the Community Users Group
- the Independent Trustees were advised that this was one of the tasks they would be asked to perform.

The Chair agreed that this was discussed in previous meetings including the last one.

The Chair asked for questions on Recommendation 1.5

Councillor Ball:

- was reassured that the accounts would be presented at the next meeting however, he pointed out that members would have seen an email from a member of the public Mr Will French which raised points which fitted into this category of the financial accounts for the Trust
 - when the accounts were available would they include the Trust's activities over by period of time it had been operational
 - which particular bodies had hired which facility
 - what arrangements had been made with particular groups.
- An example given by Mr French's communication was that he understood that Victoria Hall was to be used for vaccinations against Covid-19, which Councillor Ball agreed was good and a suitable use for it but wanted to know if it was a booking that the NHS were paying for what was happening operationally at the

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moment and what were the plans for moving to broader bookings being available?

- Would the agreement with Mastcraft involve a payment to the Trust for the long lease of the property? Councillor Ball pointed out that this was something that did not appear to be covered in any of the information the Trust had received and it seemed reasonable that if there was a payment to the Council then there should be one to the Trust as well for its share of the property being used
- Had the Trust applied for any of the Government Coronavirus support packages? Although the Property was being used now some of the normal use such as wedding receptions had not been possible under the circumstances and was the Trust eligible to benefit under any of these schemes?

The Chair said that all the Members of the Committee would have been aware of Mr French's questions as they had all received a copy and normally, she was generous in allowing members of the public to address the Committee however Mr French's questions had arrived very late and did not give officers time to prepare responses. Mr French would, however, receive a reply in due course by email following the meeting. However, the Chair would allow any officers who felt able to respond to the questions raised by Mr French to do so.

Mr Whalley responded that:

- Application for grant funding had not been made as the Trust had been largely dormant
- As far as usage and accounts were concerned the Town hall and the Trust property had largely been closed since before the Covid-19 crisis. The accounts to be provided would not cover any of the historic accounts in terms of usage. The Council had made the case that it had to close the Town Hall subject to the Mastcraft deal.
- The Trustees had been made aware of the deal, through these meetings
- There was to be a level of premium for the deal the Council would pay the Trust and would be based on a proportion of Sanderson Weatherall's rent payment payable by the Trust.
- Mr Whalley would represent the Trust in these discussions. The Accounts would be provided at the next meeting.

Ms Harris responded that:

- With regard to applying for any grant support, the Trust may count as the Council legally and therefore be ineligible.
- Mr Whalley's point that the Town Hall had largely been shut was due to the costs of keeping it open and was a key reason why the Mastcraft deal had been pursued.
- There had been some lettings but on a much-reduced level.
- A fair share of premiums would be payable to the Trust by the

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Council which was why there were separate officers who represented the Trust and those that represented the Council's deal

- the agreement between all parties would not be signed unless and until the Trust's payment had been agreed and that this was one of the most important aspects of the agreement
- Mr Whalley would represent the Trust in those negotiations, but it would come back to the Trustees for decision
- There would be significant costs to be netted off against whatever proportion of the premium it was felt was fair, be ascribed to the Trust and the costs which had been quite significant thus far have been picked up by the Council which pragmatically was the only way for them to be dealt with, as the Trust at the moment had no money to pay those bills
- as and when the premium was agreed then both sides would have to bear an appropriate portion of those project costs

Councillor Ball responded that:

- Anecdotally Cllr Ball had observed some more letting activity than there had been before the Covid-19 crisis.
- it would be helpful to have some indication of the figures before then as it seemed like things had changed quite a lot recently from his recent experience of the Town Hall and its usage thought to be by educational establishments needing additional space due to Covid-19 restrictions.
- Without going into specific figures at this stage but after costs had been deducted should the Trust expect to receive something approaching the valuation figure in the report?

The Chair responded that:

- from her understanding of accounting she would expect the figures to cover 2019/20 so would not be the figure Councillor Ball may be expecting as they would be revealed in the following year's accounts.
- perhaps some commentary could be given with the accounts which could cover some of what Councillor Ball was suggesting.

Mr Whalley responded that:

- further detail could be sought to find out recent usage for Trustees
- The Sanderson Weatherall valuation covers market value of each of the three space in question the Victoria Hall, Princes Hall and Queen's Hall drawing the conclusion that Princes Hall and Queen's Hall were broadly similar in market value
- The valuation took into account what was on offer in the deal which negates any difference in value.
- the Trust is not disposing of its asset at market value as it was linked into a deal which involved the ongoing upkeep of the asset
- The expectation was that he (Mr Whalley) and Ms Harris would be

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pressing for a fair and reasonable share of the premium, net of appropriate cost overheads, to be payable to the Trust in due course and this figure would be brought to the Trust.

- The figure would be a proportion of the total receipts payable by Mastcraft that the Council had negotiated as part of this deal and as stated by Sanderson Weatherall in their report
 - the Trust would be entitled to a fair proportion of that based on floor area and the proportion of the Trust assets as it related to the entirety of the property.
- Whalley emphasised that there was a distinction between the figure that may have been seen in the report, which was what the asset was worth notionally which was not the same as, what was being proposed for the premium that would be payable by Mastcraft as part of wider deal; these were two different points.

Ms Adams responded that:

- She agreed with Mr Whalley's points adding that that there was a Sanderson and Weatherall evaluation which was for one purpose but in terms of the money that was payable under the Mastcraft deal then the terms of the agreement needed to be looked at and the Trust was entitled to a fair apportionment of that.
- The valuation performed a different function and did not reflect the money that would be changing hands which was identified in the agreement with Mastcraft.

Ms Harris responded that:

- Members should also note that any proportion of premium yielded from the deal payable by the Council to the Trust would be net of any transaction/project costs incurred by the Council

Councillor Dheer:

- Commented that Mr Whalley had mentioned:
 - the planned upfront payment by Mastcraft to the Council and the Trust.
 - The report also referred to planned ongoing rent payments and income to the Trust and that would continue for the entire period of the lease which was a long period.
- Could Mr Whalley give some idea as to what the income would be spent on?

Mr Whalley responded that:

- it ultimately came down to a decision by the Trustees and the Community Use Working Group
- obvious example could be:
 - further subsidising the rates for certain activities that were deemed to be ones that the Trust wanted to encourage

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- perhaps to invest in further promotion of the Trust by advertising to publicise the halls and the assets
- The benefit was the Trust had limited exposure to ongoing maintenance costs because those were incorporated into the deal.
- Although the deal was not risk free the net premium should be used as the Trust saw fit.

Resolved:

That the Trustees noted:

Recommendations 1.2 to 1.5 which were as follows:

1.2 that a response has now been sent to the Charity Commission following direction given by the Trustee at the meeting of 30 July 2020,

1.3 the further Valuation report included at Appendix 2 to this report prepared by Sanderson Weatherall acting for the Trust which provides further advice to the Trust on the Trust's assets in response to comments raised by the Charity Commission in its April 2020 review;

1.4 the further progress which has been made in revising the terms of the agreement between the Council and Mastcraft, to facilitate and enable the implementation of the changes to the updated Community Use Protocol.

1.5 that financial accounts are being prepared for the Trust, and that these will be presented to a future meeting of the Trust,

To a question from Councillor Sumner on regulatory issues covered by the Committee the Chair said she would or a separate response to be sent to Councillor Sumner.

7 Date of Next Meeting

The next meeting of the General Purposes Committee was scheduled for 28 January 2021.

The meeting finished at 7:20pm.

COUNCILLOR NAGPAL (CHAIR)