

Minutes of the meeting of the General Purposes Committee

Date: Thursday, 26 September 2019

Time: 19:00

Venue: Committee Room 3, Town Hall, New Broadway, W5 2BY

Attendees:

Councillor Mohammad Aslam, Councillor Jon Ball, Councillor Ranjit Dheer, Councillor Kamaljit Nagpal, Councillor Gareth Shaw, Councillor Nigel Sumner, Councillor Hitesh Tailor

Apologies for Absence:

Councillor Miriam Rice, Councillor Sarah Rooney

ALSO IN ATTENDANCE AT THE ABOVE MEETING WERE:

LBE OFFICERS

Mwim Chellah Democratic Services Officer

Helen Harris Director of Legal and Democratic Services

Adam Whalley Assistant Director of Capital Investment Programme

MEMBERS OF PUBLIC EXPRESSED A DESIRE TO ADDRESS THE MEETING:

Will French Friends of the Victoria Hall

Tony Miller CEPAC

1 Apologies for Absence

Councillors Rice and Rooney. Councillor Costigan (substitute for Councillor Rooney).

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 25th June 2019.

Resolved: that the minutes of the meeting held on 25th June 2019, be agreed, and signed by the Chair, as a correct record.

6 REPORT - Victoria Hall Trust

In exercising the functions of Ealing Council as Trustee of the Victoria Hall Trust, the Committee received a report with appendices, from Officers, on a number of matters concerning the future of the Trust.

The report detailed the following:

The Committee had previously received and considered three reports in its capacity as Trustee and had, in particular, considered the proposals to redevelop Ealing Town Hall, of which the Trust property (namely, the Victoria Hall and the Princes Hall) formed part; applications had been made to the Charity Commission seeking to update the objects of the Trust to ensure that its objects were consistent with the requirements of charitable status, and to seek approval for a scheme enabling the Trust to dispose of Trust property (such disposal being a necessary consequence of the arrangements to be made with Mastcraft to enable the redevelopment of the Town Hall). The applications also involved a “land swap”, as previously reported to the Trustee (that is, swapping the Prince’s Hall (Trust property) with the Queen’s Hall (Council property)).

There had been detailed correspondence relating to the applications with the Commission. However, the Commission had not made decisions. A meeting was held with the Commission on 10th July 2019 to understand what further information was required by the Commission for them to make decisions and to, then, instigate the further formal steps to authorise the disposal, and approve the updated objects.

The meeting (10th July 2019) was useful in that it enabled the Commission’s representatives to see the Town Hall and confirm what further and final information was needed by the Commission. Following the meeting, the Commission confirmed that the meeting provided significant and useful clarification about the context in which the Trustee will further consider the options available to it.

The main issue of concern to the Commission was that they needed to see clear evidence that the Trustee had undertaken an independent “charity’s interests” evaluation of all the options available. It would be acceptable for that evaluation to rely on material and information

previously made available to the Trustee. The Commission confirmed that the Trust would also need to identify that there was a “cy pres” occasion which underlay any choice of an option that would result in a disposal.

If the Trustee was minded to continue supporting the Mastcraft disposal, it had to demonstrate to the Commission that the Trustee had fully assessed all identified options and had concluded that the Mastcraft proposal represented the best option, consistent with the original purposes of the Trust. That required the Trust to have considered and be in agreement with the benefits of the Mastcraft proposal, and to be satisfied that that was preferable to all other options. In that regard, the “benefits” were to be assessed in relation to the intended beneficiaries of the Trust, and not the benefits to the Council.

The way in which the scheme had evolved since 2014, including, in particular, the requirements of the Commission, showed that the information submitted to them on behalf of the Trust had, inevitably, been provided in a piecemeal way. The report was intended to draw all previous and current issues together into a single report.

The purpose of the report was, therefore, twofold: to present the Trust with a complete position and basis on which to reach a decision; and to enable the Charity Commission to be satisfied that the relevant legal tests had been met.

Guided by the Charity Commission’s feedback, and over-lapping with section 5 of the report, Trustees were drawn to the following: the Mastcraft proposal involved a “disposal” of designated charity land; it was that disposal that required authorisation under charity law, via the Charity Commission; the implications of the “community use protocol” for the Victoria Hall; the cy-pres implications, as between the Princes Hall and the Queens Hall; Mastcraft would be responsible for external repairs and maintenance under the terms of the Lease, which the Trust may regard as being a benefit as it would remove uncertainty about the ongoing financial support of the Council; the consent of the Charity Commission is also required to authorise change of objects proposals; these are required in order to bring the Trust’s objects into line with the requirements of modern charity best practice; the Trustee had to consider the range of options available to it, as described in paragraph 4 of the report. That would include a “do-nothing” option; and the Trustee had to be satisfied that it had had all the necessary independent advice (in addition to the independent valuation report), particularly in relation to the choice of whether to “opt-in” to the Mastcraft scheme.

The Committee received a presentation from the Friends of the Victoria Hall Trust, presented by Mr Will French. (A detailed submission, with appendices, and summary had been circulated to the Committee before the meeting.)

Mr French urged the Committee members to reflect on their responsibilities as Trustee.

Mr French explained that they were responsible to the beneficiaries of the Trust, and not to either the Council or its officers. The Trust had important duties laid down in law and well summarised by the Charity Commission. These included: understanding the charity's purpose, as set out in the 1893 Trust document; setting the Trust's direction —and ensuring the Trust operated effectively by taking independent reports and advice.

Mr French argued that, hitherto, inadequate information had been provided to the Trustees. Mr French also argued that the Committee had “never discussed” how the Trust was supposed to serve the public benefit. He believed that the following information was missing: a strategic framework; budget; financial plan; and asset register.

Mr French was particularly critical of the failure to prepare separate accounts for the Trust until very recently. He argued that the accounts now before the Committee were inadequate and overstated the level of subsidy provided by the council to the Trust.

Mr French was critical that there had been no separate consultation by the Trustees with stakeholders.

Mr French said he believed some parts of the report were “impossible to digest”, despite reading it “several times”. He said that the sections on the Mastcraft deal (paragraphs 4.16 to 4.25) were “totally opaque”. He highlighted the following as being “wrong or misleading” in the report: the extent of the Trust property; Trust finances; the independent valuation; and the review of the options for the Trust's future direction.

Mr French said that there were conflicts of interest in the Trust pursuing a course of action that favoured the Council in its need to reduce the costs of maintaining the rest of the Town Hall, not the Trust's assets. He said the Charity Commission noted that those issues should not be relevant to Trustee and that the Trust should do only what was best for the charity in carrying out its purposes and avoid conflicts with their loyalty to any other body, like the Council.

Mr French made the following further points in relation to the options available to the Trust:

1. the Mastcraft deal was “very vague” as monetary benefits were unquantified. How would their value to the Trust be known? Much weight had been given to the community use covenant. Neither the Trustee or the beneficiaries had discussed it but it had been agreed apparently.
2. over the long term it would be “impossible” for the Trustee to enforce the community protocol or secure the financial commitments in the Trust's interests. Alternative options have been dismissed “with short shrift”;

3. the report should have mentioned earlier discussions between the Council and Ealing Arts, a social enterprise company, to convert the Town Hall into an arts and leisure centre; and
4. later proposals by Ealing Voice and CEPAC sought a partnership working with the Council. Those got “nowhere” because, having selected Mastcraft as its development partner, these initiatives never stood a chance.

Mr French asked the Trustee to reflect on the nineteenth century benefactors who put up the money for the Trust. Generations of Ealing residents had used Trust Property for numerous social, political and cultural activities.

Mr French reminded the Trust that Victoria Hall has welcomed Prime Ministers. It had staged rallies, such as “Save the NHS”. It had been a place for Ealing’s minority groups — hosting *Diwali* and *Durga Pudja* events, in addition to Polish, Armenian and Arab cultural evenings. There had also been election hustings, concerts, carol services and model railway exhibitions.

Mr French argued that other governance models were available to the Trust which did not involve the council, and which would not surrender the Trust and its assets for the next 250 years.

Officers advised that various options had been considered, including the ones advanced by various community groups, such as Friends of the Victoria Hall Trust. The advice of Officers was that the deal with Mastcraft was considered the most viable and in the best interests of the Trust in the long term. However, it was open to the Trustee to reject the Mastcraft deal should it not agree with that recommendation.

Officers advised that, in their professional view, it would be very difficult to maintain, manage and operate effectively the Trust Property independently from the rest of the Ealing Town Hall. However, it was open to the Trustee to request that option be investigated more fully, should it not agree with the report recommendations.

(Councillor Tailor excused himself from the meeting at 8pm and did not vote on the Report’s recommendations.)

The Committee also received a submission from Mr A H J Miller, Secretary of the Campaign for an Ealing Performance Arts Centre (CEPAC).

Mr Miller was unable to attend the meeting and so, at Mr Miller’s request, Councillor Ball presented the statement on his behalf. The statement was read *verbatim* by Councillor Ball:

“Had I been able to address you this evening, which unfortunately I can’t, I would have asked you just two

questions about why you are even considering the proposals to support the Council's Mastcraft deal – a deal which will effectively end the existence of the Trust as an independent body, dedicated to the objectives of Trust Deed.

The first question is: do you honestly believe that you as Trustees, acting through the Council as manager, can no longer effectively operate the property of the Trust to meet the undoubted need which exists in the community?

Any other reason would, in the words of the Charity Commission, be “irrelevant” to meeting your obligations under the Trust Deed, and therefore inadmissible.

But if you do believe that, the second question is: why will you not consider handing over the facilities to be run by another, independent, body of Trustees, in the same way as is being successfully done with Pitzhanger Manor?

A separate charitable Trust could raise new money and take over responsibility for meeting the objects of the Trust Deed, in the interest of local people. I urge you in the light of all the evidence now before you to choose that option.”

In the discussion that ensued, Councillor Dheer took cognisance of adopting the Pitzhanger Manor model in redeveloping the Town Hall as proposed by various community groups. However, the facts were different. The former was a “standalone, self-contained” facility, whilst the latter was not.

(Councillor Aslam excused himself from the meeting at 8:25pm and did not vote on the Report's recommendations.)

Councillor Shaw was concerned about the “prohibitive costs” of maintaining the Trust Property.

Officers reminded the Trustee that maintenance had historically been carried out by the Council on behalf of the Trust, but, that going forward, the Council had made it clear that such Council subsidy for this purpose was no longer available.

Officers advised that the discounted rates for community use would last for the duration of the entire lease duration of 250 years. Although rates would be reviewed after 10 years, any upwards adjustments to

discounted community rates would have to be agreed upon by all stakeholders, including the Trustee.

Resolved: that the General Purposes Committee:

- 1.1 notes the outcome of a meeting between officers and the Charity Commission which took place on 10 July 2019;
- 1.2 notes and agrees the extent of the property held under the terms of the Trust, as shown, edged with a solid or dashed black line, on the plans at Appendix 1;
- 1.3 notes the independent valuation report commissioned on behalf of the Trust attached at Appendix 4;
- 1.4 considers the range of options available to the Trust in respect of its future, in light of the proposals for development of Ealing Town Hall, agreed between Ealing Council and Mastcraft, and which includes Trust property. Determines that the proposal agreed between Ealing Council and Mastcraft, which includes Trust Property, is in the best overall interests of the Trust and that accordingly no alternative option should be pursued;
- 1.5 authorises the Assistant Director Capital Investment Programme, following consultation with the Chair, to conclude the necessary legal steps, including (i) the Agreement for Lease to be entered into (between the Council, Mastcraft, and Trust), (ii) final detailed settlement of the Community Use covenant having regard to paragraph 4.27 of this report, and (iii) the further application to and associated dealings with the Charity Commission necessary to progress the scheme on that basis; and
- 1.6 authorises the Assistant Director Capital Investment Programme, following consultation with the Chair, to settle the apportionment of the lease premium and rent paid by Mastcraft (as well as the fair and reasonable contribution to be made by the Trust towards the Council's costs), in accordance with the advice received from the independent Valuer (and any further valuation advice required in that respect).

The Trustee's decision on resolutions 1.1 and 1.3 (above) was unanimous. Councillors Nagpal (Chair), Dheer, Midha and Shaw voted in favour of approving resolutions 1.2, 1.4, 1.5 and 1.6 (above). However, Councillors Ball and Sumner voted against resolutions 1.2, 1.4, 1.5 and 1.6 (above).

7

Date of Next Meeting

The next meeting of the General Purposes Committee was provisionally scheduled for 30th October 2019 at 7pm.

The meeting finished at 8:40pm.

COUNCILLOR NAGPAL (CHAIR)