

<b>Report of:</b>	<b>Head of Economic Prosperity</b>
<b>Contact Officer:</b>	<b>Rhiannon Holland</b>
<b>Contact Number:</b>	<b>01543 464526</b>
<b>Portfolio Leader:</b>	<b>Innovation and High Streets</b>
<b>Key Decision:</b>	<b>No</b>
<b>Report Track:</b>	<b>Cabinet 03/03/22</b>

**Cabinet**  
**3 March 2022**  
**Pye Green Community Centre, Bradbury Lane, Cannock**

**1 Purpose of Report**

- 1.1 To seek a Cabinet decision on whether or not the District Council, as landlord of Pye Green Community Centre, should permit the current tenant to either transfer its existing leases to a third-party organisation or to sublet the premises to a third-party organisation.

**2 Recommendation(s)**

- 2.1 That Cabinet resolves whether to:
- (a) approve in principle an assignment of the existing leases of Pye Green Community Centre, by Hednesford Town Council to Trustees of the 1<sup>st</sup> Hednesford Scout Group, subject to the District Council's due diligence finding that the Scout Group would be an acceptable tenant of the Council; or,
  - (b) approve in principle a subletting of the entire Pye Green Community Centre by Hednesford Town Council to Trustees of the 1<sup>st</sup> Hednesford Scout Group (which would retain the Town Council as the District Council's tenant, but would allow the Town Council to draw up their own sub-lease with the Scout Group); or,
  - (c) refuse consent to an assignment or subletting of Pye Green Community Centre to the Trustees of the 1<sup>st</sup> Hednesford Scout Group.
- 2.2 If the proposal set out in 2.1(a) above is approved, to delegate authority to the Head of Economic Prosperity to undertake due diligence in respect of the Scout Group and, if appropriate, to issue landlord's consent for the proposed assignment subject to any conditions of its consent that the District Council considers appropriate.

- 2.3 If the proposal set out in 2.1(b) above is approved, to delegate authority to the Head of Economic Prosperity to issue landlord's consent for the proposed subletting subject to any conditions of its consent that the District Council considers appropriate.

### **3 Key Issues and Reasons for Recommendations**

#### **Key Issues**

- 3.1 Pye Green Community Centre, Bradbury Lane, Cannock, shown edged in red on the plan at Appendix 1, is owned by Cannock Chase Council and leased to Hednesford Town Council. There are two leases: one granted in 2001 of the main Community Centre and a second granted in 2014 of a strip of land at the front of the Community Centre. The annual rent payable under each lease is a peppercorn and each lease has an unexpired term of 105 years (one hundred and five years). Full responsibility for repairs/maintenance and insurance of the Community Centre rests with the Town Council.
- 3.2 The Town Council's leases of Pye Green Community Centre permit the Town Council to transfer (assign) its leases of the premises to a third party, subject to the Town Council obtaining prior consent from the District Council as landlord of the premises.
- 3.3 However, under the terms of the leases, the District Council can withhold landlord's consent for a lease assignment if the prospective assignee is any organisation other than a charitable trust set up by the Town Council for the sole purpose of continuing the Authorised Use of the premises. The Authorised Use is specified in the lease and is "Community Centre and administrative office for the Tenant."
- 3.4 The Town Council's leases of the Community Centre also contain an absolute prohibition on the Town Council subletting the whole or any part of the premises. As landlord, the District Council can choose to override the prohibition and grant its consent to sublet but it is under no obligation to do so.
- 3.5 At its Council meeting of 7<sup>th</sup> December 2021, the Town Council resolved to pass control of and responsibility for the Community Centre to Trustees of the 1<sup>st</sup> Hednesford Scout Group.
- 3.6 Following its resolution of 7<sup>th</sup> December, the Town Council has applied to the District Council for landlord's consent to either assign its leases of Pye Green Community Centre to Trustees of the 1<sup>st</sup> Hednesford Scout Group or, alternatively, to sublet the entire Community Centre building to Trustees of the 1<sup>st</sup> Hednesford the Scout Group.

#### **Reasons for Recommendations**

- 3.7 The District Council is at liberty to override the restrictions referred to in paragraphs 3.3 and 3.4 above to enable the Town Council to either assign its leases of Pye Green Community Centre to Trustees of the 1<sup>st</sup> Hednesford Scout Group or, alternatively, to sublet the entire Community Centre building to Trustees of the 1<sup>st</sup> Hednesford the Scout Group.

#### 4 Relationship to Corporate Priorities

- 4.1 This report supports the Council's Corporate Priorities as follows:
- (i) Community Wellbeing – Supporting activities of a voluntary/community group

#### 5 Report Detail

- 5.1 The District Council has received a request from Hednesford Town Council for landlord's consent to either assign its leases of Pye Green Community Centre to Trustees of the 1<sup>st</sup> Hednesford Scout Group or alternatively to sublet the entire Community Centre building to Trustees of the 1<sup>st</sup> Hednesford the Scout Group.
- 5.2 The document at Appendix 2 has been submitted by the Town Council in support of its application. The document details the Town Council's reasons for seeking to pass control of and responsibility for the Community Centre to Trustees of the 1<sup>st</sup> Hednesford Scout Group and also the Scout Group's reasons for seeking to take control of and responsibility for the Community Centre.
- 5.3 The Executive Summary within the document indicates the intention of both the Town Council and the 1<sup>st</sup> Hednesford Scout Group that the Community Centre will continue to be made available for use by the general public for classes, activities and private hire (subject to the Scout Group having exclusive use of the hall in the Community Centre on five weekday evenings per week and 14 weekends per year).
- 5.4 The District Council has been provided with the certified accounts of the 1<sup>st</sup> Hednesford Scouts for the last four financial years. The accounts have been reviewed and the information contained therein suggests that, based on the Town Council's reported spend over the previous three years, the Scout Group is currently in a financial position to meet the general operating costs relating to the Community Centre building.
- 5.5 Subject to the District Council's agreement there are two methods by which Trustees of the 1<sup>st</sup> Hednesford the Scout Group could take over responsibility and control from the Town Council:
- 5.6 **(A) Assignment of the existing leases**
- Irrespective of the intentions of the parties set out in paragraph 5.3 above, assignment of the leases would result in the Town Council relinquishing its legal interest in Pye Green Community Centre. Trustees of the 1<sup>st</sup> Hednesford Scout Group will become the direct tenant of the District Council and the Town Council will have no power to control the Scout Group's use or occupation of the building or any arrangements for hire of any part of the Community Centre building by the public.
- 5.7 The Scout Group would be bound by the existing terms of the leases which specifies the Authorised Use of the premises as a "Community Centre and administrative office for the Tenant." Beyond this definition however, the Scout Group alone would be responsible for and in control of activities and hire arrangements at the Community Centre.

5.8 It is the Scout Group's proposal that the leases are assigned to two individuals who will hold the leases as Trustees on behalf of the Scout Group. These two individual Trustees will therefore become the tenants of the Community Centre. If at a future date either of the individuals are replaced by new Trustees then it will be necessary for the leases to be assigned to the new Trustees. The District Council's consent would be required for any future assignment of the leases. Since the leases have an unexpired term of 105 years then it is to be expected that numerous further applications for consent to assign may need to be considered by the District Council.

5.9 The information submitted in support of the Town Council's application does not include a building condition survey report. At present therefore, the District Council has no information about the current condition of the Community Centre building, whether there are any wants of repair and, if so, the estimated costs thereof. As a consequence, although the Scout Group's certified accounts suggest that the Group is able to meet the Community Centre's general operating costs, it is not known whether the 1<sup>st</sup> Hednesford Scout Group is in a position to maintain the building in accordance with the terms of the lease ie. "in good and substantial repair, order and condition". A copy of the Scout Group's certified accounts is at Appendix 3.

**5.10 (B) Grant of a sub-lease by Hednesford Town Council**

The grant of a sub-lease by the Town Council to Trustees of the 1<sup>st</sup> Hednesford Scout Group would retain the Town Council as the District Council's legal tenant of Pye Green Community Centre. The Town Council's existing lease obligations to the District Council would remain, however the Town Council would have the opportunity to pass those obligations onto Trustees of the 1<sup>st</sup> Hednesford Scout Group by way of a sub-lease.

5.11 The District Council would not be a party to a sub-lease between the Town Council and the Scout Group. However, as superior landlord of the Community Centre, the District Council could impose any conditions on its consent to the sub-letting that it considers appropriate. Such conditions might potentially include a restriction on the number of days/hours for the Scout Group to have exclusive use of the hall in the Community Centre. The District Council would also be entitled to approve the form of sub-lease before it is granted.

5.12 As the Town Council's sub-tenant of the Community Centre, Trustees of the 1<sup>st</sup> Hednesford the Scout Group might be made responsible for repairs/maintenance and insurance of the Community Centre. However, should the Scout Group fail to meet any of its obligations in this respect, the responsibility to remedy the breaches will rest with the Town Council under its existing lease from the District Council.

**5.13 (C) Refuse consent**

The District Council has the option to refuse outright the grant of landlord's consent for the Town Council to pass control of and responsibility for the Community Centre to Trustees of the 1<sup>st</sup> Hednesford Scout Group. Under the existing leases, the District Council may refuse consent to a request from the Town Council to assign the leases unless the request is for consent to assign the leases to a charitable trust set up by the Town Council for the sole purpose

of continuing the Authorised Use of the premises. There is no obligation on the District Council at all to consider a request from the Town Council to sub-let the Community Centre.

- 5.14 Concerns have been expressed within the Hednesford community about the Town Council's proposal to pass control of the Community Centre to a third party. Of particular concern is the proposal for the 1<sup>st</sup> Hednesford Scout Group to have exclusive occupation of the Community Centre hall on every weekday evening. In order to accommodate the Scout Group, five existing businesses currently running evening classes at the hall would have to find alternative accommodation. A total number of 180 people attend the classes run by the five affected businesses, though it is not known how many of the attendees are residents of Hednesford.
- 5.15 The Town Council has advised that it has extended an offer to assist the affected businesses in finding alternative venues from which to host their classes. It is not known whether any of the affected hirers have availed themselves of the Town Council's offer of assistance or whether they have secured an alternative venue.
- 5.16 The Town Council has also advised that a further 15 hirers of the Community Centre hall would be unaffected by the proposal, except for on the 14 weekends per year that the Scout Group would require exclusive occupation of the hall. It is not known what arrangements (if any) would be made by the Scout Group to accommodate the affected hirers on such weekends.
- 5.17 There are three offices within the Community Centre that would not be required by the Scout Group. These offices would remain available to the general public for classes, business and private hire during the Community Centre opening hours.
- 5.18 A petition, "Save Pye Green Community Centre", was presented to Council at its meeting of 16 February 2022. The petition has 1,453 signatories in total. The stated aim of the petitioners is to prevent the Town Council from passing control of Pye Green Community Centre to a third party and to keep the Community Centre for the whole community. While the majority of the signatories are based in the District, a proportionately small number of signatures are by people who do not live in the District.

## **6 Implications**

### **6.1 Financial**

In respect of Option A, assignment of the existing lease as referred to in para 5.4 the Council has received Audited Accounts for the last 4 years which shows the Scout Group to be in a healthy financial position which should enable it to take full responsibility for the every-day repairs/maintenance and insurance of the Community Centre.

However, as referred to in para 5.8 the application does not include a building condition survey report. It is therefore unclear if there are any major areas of repair for which the Scout Group would struggle to fund now or in the future years.

Members could consider requesting a survey be carried out before making a decision.

On the basis that the Scout Group meets any costs incurred by the Council in relation to the transfer or subletting then there are no additional financial implications for the Council as a result of this report.

In respect of Option B, there are no Financial Implications to consider as the existing arrangements would apply.

**6.2 Legal**

The legal implications are set out in the report.

**6.3 Human Resources**

None

**6.4 Risk Management**

None

**6.5 Equality & Diversity**

None

**6.6 Climate Change**

None

<b>7 Appendices to the Report</b>
-----------------------------------

Appendix 1: Plan – Pye Green Community Centre, Bradbury Lane, Cannock

Appendix 2: Supporting document from Hednesford Town Council -  
**Not for Publication**

Appendix 3: Certified Accounts of 1<sup>st</sup> Hednesford Scout Group -  
**Not for Publication**

Appendices 2 and 3 are confidential due to the inclusion of information relating to the financial or business affairs of any particular person (including the Council).

**Previous Consideration**

None

**Background Papers**

None

