



HILLINGDON
LONDON



Petition Hearing - Cabinet Member for Finance, Property and Business Services

Date: WEDNESDAY, 9
NOVEMBER 2011

Time: 7.00 PM

Venue: COMMITTEE ROOM 4A -
CIVIC CENTRE, HIGH
STREET, UXBRIDGE UB8
1UW

**Meeting
Details:** Members of the Public and
Press are welcome to attend
this meeting

Cabinet Member hearing the petitions:

Jonathan Bianco, Cabinet Member for
Finance, Property and Business Services

How the hearing works:

The petition organiser (or his/her
nominee) can address the Cabinet
Member for a short time and in turn the
Cabinet Member may also ask questions.

Local ward councillors are invited to these
hearings and may also be in attendance
to support or listen to your views.

After hearing all the views expressed, the
Cabinet Member will make a formal
decision. This decision will be published
and sent to the petition organisers shortly
after the meeting confirming the action to
be taken by the Council.

**This agenda and associated
reports can be made available
in other languages, in braille,
large print or on audio tape on
request. Please contact us for
further information.**

Published: Tuesday, 1 November 2011

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<http://modgov.hillingdon.gov.uk/ieListMeetings.aspx?CId=269&Year=2011>

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INVESTOR IN PEOPLE

Useful information

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Agenda

CHAIRMAN'S ANNOUNCEMENTS

PART 1 - MEMBERS, PUBLIC AND PRESS MAY ATTEND

- 1 To confirm that the business of the meeting will take place in public.
- 2 To consider the report of the officers on the following petitions received.

	Start Time	Title of Report	Ward	Page
3	7pm	Petition Regarding South Ruislip Community Centre, Deane Park, Long Drive, Ruislip	South Ruislip	1 - 8

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PETITION REGARDING SOUTH RUISLIP COMMUNITY CENTRE, DEANE PARK, LONG DRIVE, RUISLIP

Cabinet Member	Councillor Jonathan Bianco
Cabinet Portfolio	Finance, Property and Business Services
Officer Contact	Bill Ogden, Planning, Environment, Education and Community Services
Papers with report	Appendix A – Cabinet Report: 28 July 2011

HEADLINE INFORMATION

Purpose of report	To inform the Cabinet Member that a petition has been received from Brian Robinson, Chairman of South Ruislip Community Association, signed by South Ruislip Ward residents seeking the renewal of the lease on terms acceptable to the Association.
Contribution to our plans and strategies	None
Financial Cost	If the petition is upheld in respect of the further discretionary rent reduction, there will be a loss of rental income to the General Fund revenue account.
Relevant Policy Overview Committee	Corporate Services and Partnerships
Ward(s) affected	South Ruislip

RECOMMENDATION

That the Cabinet Member:

1. **Meets the petitioners and considers their requirements for the terms of a new lease of the Centre.**
2. **Decides on the appropriate course of action having met with the petitioners.**

INFORMATION

Reasons for recommendation

To allow the Cabinet Member to consider the petition with the petitioners.

Alternative options considered

These can be identified from the discussions with the petitioners.

Comments of Policy Overview Committee(s)

None at this stage.

Supporting Information

1. A petition with 622 valid paper signatures and 184 valid on-line signatures of residents, was received by the Council on 26 September 2011 under the cover of a letter from Brian Robinson, Chairman of South Ruislip Community Association.
2. The residents have signed the following statement:

“We the undersigned request that the London Borough of Hillingdon offer South Ruislip Community Association a new lease on Deane Park hall. This new lease should:

- 1. Maintain existing rights as tenants.*
- 2. Maintain a lease terms of a minimum of 25 years, to protect the use of the facility by local people.*
- 3. Be set at a financial level which the Community Association finds affordable.*

Thereby protecting the existence of the Community Association for future generations”

Background

3. The Association is holding over on the terms of its previous lease and, on 17 November 2009, terms for a new lease were submitted to the Association on the basis of a 25 year term and a rent assessed in line with the Policy, namely a discount of 80% from market rental value. The Association was also informed that, if it considered that it was unable to afford the new rent, it would be able to apply for a further discretionary discount, and the relevant application form was provided.
4. At the time that the terms were submitted, it had been usual practice to grant 25 year leases to the Borough’s Community Associations, as well as to Scout and Guide Groups, but the Voluntary Sector Leasing Policy (VSLP) did state that there was no longer a standard term of lease.
5. In October and November 2010, the Cabinet Member for Finance, Property and Business Services gave consideration to the length of leases offered to organisations covered by the VSLP. Officers were subsequently instructed to grant terms of no more than 10-15 years, and to seek to have such leases contracted out of the security of tenure provisions of the Landlord and Tenant Acts. These instructions were to apply to all new negotiations, and to all existing cases where leases had not been completed. This qualification to the Policy was subsequently approved by Cabinet on 28 July 2011. Authority was also given to the Cabinet Member for Finance, Property and Business Services to consider extensions to new leases for longer than 15 or 10 years, where it is considered that the individual merits of the case warrant it.

6. Organisations that, at the time, had either already agreed terms, or were still in negotiation, were informed of the above amendments. South Ruislip Community Association (SRCA) had applied for a further discretionary discount, but had made no comment on the terms of the lease previously submitted to them. Having been informed of the amendments, the SRCA subsequently confirmed that it required a lease term of 25 years, and that the new lease not be contracted out of the Landlord and Tenant Acts. It also provided the application form for a further discretionary discount, and evidence to support its application.
7. The Association's request for a lease of 25 years within the Landlord and Tenant Act, and for a further discretionary rent discount, was originally included in a report to Cabinet on 29 September 2011, but was withdrawn pending consideration of the petition.

Financial Implications

If the petition is upheld in respect of the further discretionary rent reduction, there will be a loss of rental income to the General Fund revenue account.

EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES

What will be the effect of the recommendation?

The recommendation will enable the Cabinet Member to discuss with the petitioners their concerns, and allow him to consider whether or not to agree to their requests.

Consultation Carried Out or Required

Petition Hearings are a key way in which residents can meet with, and influence, Council decision makers.

CORPORATE IMPLICATIONS

Legal

The Cabinet Member has before him recommendations that:

- (a) the Cabinet Member meets the petitioners and considers their requirements for the terms of a new lease of the South Ruislip Community Centre; and
- (b) the Cabinet Member decides the appropriate course of action having met with the petitioners.

Under Article 7.08(d) (28) of the Council's Constitution there is a general Cabinet Member delegation for the Cabinet Member to deal with petitions in their portfolio area in accordance with Council procedure.

The recommendation therefore falls within the Cabinet Member delegations. Article 13 of the Council Constitution requires that all key decisions follow the seven principles set out therein. The Cabinet Member should have full regard to the Cabinet decision dated 28 July 2011 referred to in the body of this report vis-à-vis the changes to the VSLP.

BACKGROUND PAPERS

None.

VOLUNTARY SECTOR LEASING POLICY

Cabinet Member	Councillor Jonathan Bianco
Cabinet Portfolio	Finance, Property and Business Services
Report Author	Greg Morrison; Planning, Environment, Education and Community Services
Papers with report	None

HEADLINE INFORMATION

Purpose of report	This report recommends amendments to the Voluntary Sector Leasing Policy with the intention of making better use of the Council assets leased to voluntary organisations in the future.
Contribution to our plans and strategies	The provision of premises to voluntary sector organisations on terms that are affordable encourages their continued development and contributes to the community development priorities in the Council Plan under the theme "A borough where opportunities are open to all".
Financial Cost	There is no financial cost to the Council.
Relevant Policy Overview Committee	Corporate Services and Partnerships
Ward(s) affected	All wards.

RECOMMENDATIONS *(as revised by Cabinet and resolved)*

That Cabinet:

1. **Agrees and instructs officers, when existing leases to voluntary sector tenants are being renewed, to offer new leases with a maximum term of 15 years;**
2. **Agrees and instructs officers, when new leases of Council premises are being negotiated with voluntary sector tenants, to offer leases for a maximum term of 10 years and;**
3. **Delegates authority to the Cabinet Member for Finance, Property and Business Services to consider and extend the new lease term for longer than the 15 or 10 years set out in recommendations 1 and 2 above where it is considered that the individual merits of the case warrant it.**

INFORMATION

Reasons for recommendation

It is considered that amending the current policy in this manner will help the Council to make better use of its property assets going forward.

Alternative options considered / risk management

To continue to grant leases to voluntary organisations for 25 years, as this is generally understood to be the standard lease term by the volunteers representing those organisations, who normally require leases to have an unexpired term in excess of 21 years to facilitate applications for funding.

Comments of Policy Overview Committee(s)

None at this stage.

Supporting Information

1. Leases granted to voluntary sector organisations are classed as business tenancies and as such, currently provide the tenants with security of tenure and a right to a new lease upon expiry under the provisions of Part II (Sections 24 – 28) of the Landlord and Tenant Act 1954 (“the Act”).
2. This means that as long as the Council as landlord is unable to prove that any of the grounds for opposition provided under Section 30 of the Act apply, the organisation as tenant has a right to a new lease under the same terms as before, at an initial rent to be agreed and for a term of up to 15 years, which is the maximum term that could be granted by a Court should the parties be unable to agree by negotiation.
3. The duration of the lease can be longer than 15 years if agreed between the parties, but if they are unable to agree and the lease renewal negotiations end up with applications to Court, 15 years is the maximum term that can be set.
4. It is possible to negate these security of tenure provisions and thereby allow the Council to terminate a lease upon expiry without recourse to the Act if the landlord (i.e. the Council) and tenant (i.e. the voluntary body in question) agree prior to commencement to contract the lease, whether newly granted or upon renewal, out of the provisions of the Act, with notice of the agreement then documented in the wording of the lease.
5. Officers can offer leases that must be contracted out of the Act to new tenants, but when existing leases are renewed they can merely seek to reach agreement on this issue because if the parties are unable to agree and the matter goes to Court, the Court will decide and bearing in mind the tenant’s abovementioned right to a new lease under the same terms as before, it is likely that the Court will not allow the “contracting out” of the new lease in such cases.
6. The existing Voluntary Sector Leasing Policy, as approved by Cabinet in July 2004, provides that the formerly standard lease term of 25 years no longer applies, although no standard duration for leases has been set.

7. It is considered by officers that granting leases of a shorter duration in future will allow the Council to retain increasing control over its portfolio of properties leased to voluntary organisations and by association, make better use of those assets.
8. However, bearing in mind the possible implications for tenants' funding applications that this decision might have, it is also considered reasonable to allow affected tenants, who in certain cases may require funding for improvements to Council owned buildings, to make representations to the Cabinet Member on a discretionary basis if a longer lease term is absolutely required.

Financial Implications

There are no significant financial implications, although it is worth noting that granting shorter leases may have a small, negative effect on the market rental values for the properties in question, as a shorter lease is less valuable than a longer one.

EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES

What will be the effect of the recommendation?

The recommendations in this report will ensure that there is no longer any question as to the length of new leases to voluntary organisations being offered by the Council.

Consultation Carried Out or Required

None.

CORPORATE IMPLICATIONS

Corporate Finance

There are no direct corporate financial implications.

Legal

Cabinet has before it a recommendation that it:

1. Instructs officers, when new leases of Council premises are being negotiated with voluntary sector tenants, to offer leases for a maximum term of 10 years and ensure that they are contracted out of the security of tenure provisions of Part II (Sections 24 – 28) of the Landlord and Tenant Act 1954.
2. Instructs officers, when existing leases to voluntary sector tenants are being renewed, to offer new leases with a maximum term of 15 years and seek to also have these contracted out of the security of tenure provisions contained within Part II (Sections 24 – 28) of the Landlord and Tenant Act 1954.
3. Instructs officers to invite applications to the Cabinet Member for Finance, Property and Business Services on a discretionary basis, whereby the applicant's case will be considered on its individual merits, in cases where a new or existing voluntary sector tenant wishes to have a new lease term that exceeds either of the above thresholds.

Under Article 7.08(c) (5) of the Council's Constitution proposing policy development, changes and new policy is a general responsibility of Cabinet.

The recommendation therefore falls within Cabinet's delegations.

Article 13 of the Council Constitution requires that all key decisions follow the seven principles set out therein.

Cabinet should have full regard to the officer's comments in the Information section of this report vis-à-vis the Landlord & Tenant Act 1954.

Corporate Landlord

The Corporate Landlord has authored this report.

BACKGROUND PAPERS

Nil.