



Chelveston Village Hall

Charity Registration Number 266486

To: The Trustees
Chelveston Village Hall Association

cc: Clerk to the Parish Council

31st March 2010

Dear Trustees

Monthly Report to the Trustees

Since my last report on 11th February 2010, I have been able to sort out many of the issues associated with the Village Hall and move things forward to a situation where a meeting of the remaining Trustees would indeed be sensible. I will ring round to sort out a suitable time.

Matters arising from the last report (same numbering as previous report):

1. All of the accounts and annual updates have now been processed and accepted by the Charity Commission and details are shown on their web site. Unfortunately, the Charity's poor record of submission will always be visible and we will be shown as having missed a statutory accounting deadline for 2007 by 627 days. This is serious and would make it almost impossible for the Charity to apply for future grants as good governance is always a pre-requisite condition with awarding bodies.
2. East Northamptonshire Council has now formally granted business rate relief once more based on the accounts I have submitted and we have received the bill for £0.00.
3. The bank mandate has now been updated and we have the correct number of signatories to allow us to operate the three accounts we hold. Accounts have been reconciled with all bank statements received. Margaret Shilham has resigned as Treasurer and Trustee. She has been removed from the mandate and the Charity Commission have been notified.
4. The School Trustees have signed off their accounts which have been drawn up in parallel with the Village Hall Association. These have been submitted to the Charity Commission and show the Chelveston Village Hall Association as debtors.
5. I have researched the lease in great detail, especially the issue of an appropriate rent which was set at £300/annum many years ago after an expensive legal battle between the School Trustees and Chelveston Village Hall Association. From the perspective of the School Trustees, this lease was financially crippling. In the last 3 years alone, repairs to the outside of the Village Hall have cost nearly £12,000 which represents 40 year's rent from the Village Hall. New guttering and repairs to the roof at the back which is now causing damp will cost at least £3,000 – another 10 years of rent. There is no way that the School Trustees can sensibly offer another long term lease to the Chelveston Village Hall Association at the current level of rent. They would be breaching their duties to make best use of their assets. A realistic level of rent for a building of this size with the facilities available is around £2,500-£3,000 per annum, a sum which might be realised by leasing the building for other uses. There is no way that the Village Hall Association can afford such a rent; it is already running at a loss with the existing rent level.
6. There is no legal case for forcing the School Trustees to grant a continuing lease to the Chelveston Village Hall Association. The terms and covenants of the lease were broken in the years 1998, 2000, 2001, 2003, 2008 and 2009 when the annual rent was not paid within 21 days of the due date. In addition the automatic renewal

process was allowed to lapse. The School Trustees would be entitled to serve notice to quit on the Chelveston Village Hall Association.

7. The School Trustees have met and considered the rent and insurance arrears. Although I had hoped that these could be written off, it turns out that your trust deed obliges you to pay for insurance and all rent due. Similarly, the School Trustees have no power to waive rent, only to make a grant to bodies which fulfill its aims. Given that you had the money to pay the arrears, there is no justifiable reason for not paying them. The insurance premiums for the last three years have therefore been paid costing £2,777.99.
8. Rent has similarly been brought up to date. Including his year's rent, the total paid was £900.00.
9. I have still been unable to trace any documentation relating to the drawing up of a new lease and there is no trace of legal fees. I have decided not to pursue this as I don't want to find that we owe monies for work done.
10. I have now found the minute book which is complete up until 2000. I have also been able to piece together minutes for the sporadic meetings up until 2006. However, there is no record of the requisite public meetings.

Issues arising since the last report

11. The front door of the Village Hall has suffered badly over the winter and was beginning to stick. On investigation, it was clear that the weatherboard on the door had gone rotten and is letting in water to the door. I have engaged Dave Botterill to replace the weather board and repaint the door using the paint left over from the refurbishment. The cost was £150.
12. A damp patch has appeared in the Village Hall and I am investigating the cause. I think it is a leaking roof on the rear porch. I will report back when I have found the cause.
13. The exterior lighting at the front of the Village Hall is no longer working and the back door light needs a PIR so that it comes on automatically in the dark. I have engaged Benfield Electrical Services to sort this out. This will cost around £160+VAT for a new carriage light and for the installation of a PIR. This will be carried out on 6th April.
14. After discussions with Michael, I tested the escape lighting and found that three of the escape lights were no longer working. This is illegal and effectively prevents the use of the Village Hall at night. I have asked Benfield Electrical Services to sort this out on 6th April.
15. The annual fire extinguisher maintenance was missed in 2009 and so I am arranging for Nightingale Fire Services to attend after Easter. I have to get this sorted before 21st April as this is the first anniversary of a fire safety inspection from NCC in which we were given notice of improvements that were needed in our processes and facilities. Failure to comply with the terms of the inspection is an offence and could close the Village Hall.
16. I have paid for membership of the NACRE Village Hall Forum as we are likely to need their advice during any changes we need to make. The subscription was £40.
17. The Hall Hire income for Q1 2010 was £339.50. Running costs for Q1 2010 were £453.80, representing a Q1 **loss** of £114.30. This is a lower Q1 loss than last year as we now have a number of regular bookings from groups outside the Village.
18. Total funds available on deposit are £4,859.20

Meeting of the School Trustees:

19. The School Trustees have held two minutes since my report. On the 26th February 2010 they met without me present and voted to ask me to be Acting Clerk to the School Trustees. On 12th March 2010 they met with me in the role of Acting Clerk.
20. In the first meeting, there was a broad acceptance that we have to find a way forward for the provision of a Village Hall. There was still the historical level of antagonism towards the Chelveston Village Hall Association – even though it was clear that the current School Trustees had absolutely no idea who the Trustees of the Chelveston Village Hall Association actually were! Noel Morris (the longest serving School Trustee) moved that the School Trustees needed to take the situation in hand and explore how the Village Hall facilities should be updated. He also expressed the strong view that a new and much more active Village Hall Committee should be reconstituted to manage the venue and to stage events.
21. In the second meeting, I was able to detail the membership of the Chelveston Village Hall Association and make it clear that all of the Trustees that had been involved in the historical arguments were no longer in on the Board

of Trustees of the Village Hall. This was helpful as it underlined the fact that there could be no basis for continued poor relations between the two Boards of Trustees.

22. At Noel's suggestion, the School Trustees voted to engage a local architect Toby Pateman to prepare some concept designs in which the kitchen and toilet block are replaced by more modern facilities which meet current regulations and were more in keeping with the historical building.
23. The School Trustees also debated their ongoing role and relationship with the Chelveston Village Hall Association. It is clear that the situation that has operated since 1977 is unsustainable. It is a nonsense having two charities with overlapping and unclear responsibilities with regards to maintenance of the facility. This recognition is not new. Both bodies have long sought to merge but have somehow failed to do so because of arguments, bureaucracy and ambiguous advice from authorities.
24. After a short debate, the School Trustees voted unanimously in favour of taking full responsibility for the maintenance and re-development of the Village Hall facility. They would seek permission from the Charity Commission to take full ownership of the existing assets and underwrite the ongoing operation of the Village Hall. However, they would support the formation of a re-vitalised Village Hall Committee to manage the bookings and effective operations of the Village Hall. These proposals may need changes to the 1906 and 1977 "Schemes" which govern the Educational Foundation and I was directed to investigate this with the Charity Commission.
25. One of the advantages of such a new arrangement is that the kitchen building which is owned above ground by the Chelveston Village Hall Association could then be demolished and replaced without complex negotiations between the Trustees of the two charities.
26. Net income from a re-vitalised Village hall would flow directly into the Foundation providing a second income stream to allow it to fulfill its wider charitable objectives. The provision of a Village Hall used for educational and recreational activities would also allow the Trustees of the Foundation to demonstrate that they are delivering a "public good" something that they have not been able to demonstrate for nearly 40 years.
27. It was proposed that the new Village Hall Committee would need to be drawn from the existing Chelveston Village Hall Association and the wider Village (not just the usual willing suspects!). Mechanisms for appointment need to be considered to ensure that there was a healthy turnover of membership going forward. Reporting arrangements would also need to be decided. Clearly there would be a need for the Committee to report to the School Trustees but an arrangement for oversight by the wider Village also needs to be devised.

The Future of the Chelveston Village Hall Association:

28. As a charitable body the Chelveston Village Hall Association is not functioning effectively at the present time. It is certainly not meeting the objectives of its Trust Deed nor complying with the requirements of the Charity Commission:
 - a. The composition of the Trustee body is not fully conformant with the Trust Deed. There are insufficient Trustees, they are not properly elected and there is no representation from the School Trustees.
 - b. Its summary accounts and balance sheets have not been drawn up in a timely manner.
 - c. It has not held the required Trustee meetings, nor the public Annual General Meeting.
 - d. Submissions have not been made to the Charity Commission by the required dates.
 - e. The Trustees have not discharged their primary collective duty in respect of the charitable objectives agreed with the Charity Commission – holding the lease of the Village Hall in Trust for the use of the Village.
29. However, knowing all the individuals involved, I am certain that none of the Trustees of the Chelveston Village Hall Association would willfully fail to discharge their duties and responsibilities as Trustees. They are all reputable individuals who make significant contributions to Village life.
30. After discussion with a number of the Trustees, what seems to have happened is that most of the current Trustees are not actually clear on their duties, responsibilities and most importantly their personal liabilities as Trustees. A number of the Trustees were indeed not even aware that they were in fact **legally** Trustees of the Charity. There is no record that they have signed the requisite forms agreeing to become Trustees. They thought they were simply members of a "Village Hall Management Committee" and relied absolutely on Michael to take full responsibility for all the formal aspects of the Village Hall management as well as its day to day operations.

31. "Can the present situation be recovered?" is the key question that needs to be answered. In my opinion, we are years too late. The lease deed has now expired and the Chelveston Village Hall Association has insufficient liquid assets to purchase or lease new premises and insufficient ongoing income to enter into a rental agreement for any reasonable length of time. Furthermore, the facilities owned (as opposed to previously leased) by the Charity – the pre-fabricated kitchen building, are in need of modernisation and are useless unless there is an agreement to use the hall itself. **The Charity is therefore no longer a viable going concern and is in no position to fulfill the purpose for which it was created.**
32. In order to move forward I recommend that the Chelveston Village Hall Association be **formally dissolved** as a charity and that its assets be transferred to the Educational Foundation of Abigail Bailey and Ann Levett (a.k.a The School Trustees). As discussed in paragraph 24 above, the School Trustees will then support the formation of a new management committee to run a modernised facility.
33. In conformance with the Trust Deed, the dissolution of the Charity would be proposed at the Annual Parish Assembly to which the whole electorate will be invited and the proposals will be explained.
34. If the motion is carried by the Village, the Trustees of the Charity will be invited to resign together to discharge their personal liabilities and responsibilities after first co-opting the members of the Parish Council to be the formal Trustees during the winding up period.
35. In the event that the Charity Commission refuse the winding up petition, (which is unlikely) the Parish Council can co-opt the whole membership of the School Trustees body to be Trustees of the Chelveston Village Hall Association, minimizing the possibilities of ongoing disputes whilst resolving the situation.
36. A new Management Committee will be immediately formed to oversee the management and operation of the facility from May onwards and to manage the redevelopment of the facilities if this is approved by the School Trustees.

Next Steps:

15. An extra-ordinary meeting of the Trustees needs to be called to discuss this report and agree the proposed way forward. I will contact you individually to agree a date during next week.

I welcome any questions or comments



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