



Newport Norse is a Joint Venture between
Newport City Council, Norse Commercial
Services and NPS Property Consultants

BRIEFING NOTE

SUBJECT: Michaelston Y Fedw Village Hall
FROM: Head of Regeneration, Investment and Housing
DATE: 5 September 2018

1. PURPOSE OF THE NOTE

To outline the reasons for taking a decision to grant a lease of the above premises, under urgent action procedure.

2. BACKGROUND

The subject premises is owned freehold by the Council but has been subject, for many years, to a lease to the local Village Hall Committee (“the Lessee”). The arrangement has worked well, in that the premises is used for a range of community activities, all delivered at no cost to the Council.

Key events in the timeline to this matter are set out below.

17 September 2013 – The then current lease expired by effluxion of time. The Lessee continued to utilise the premises, “holding over” on the terms of the previous lease. The parties were unable to agree terms for a new lease, especially those relating to maintenance of the premises.

20 November 2017 – It was confirmed that Welsh Government funding available for installation of high-speed Broadband to improve services to the wider community. Plan of proposed Broadband equipment and cabling tabled. No indication of programme provided.

17 January 2018 – Following technical and legal reviews, it was noted that the existing tenure was inappropriate for the proposed Broadband installation works. The Lessee requested that the Council grants a new (amended) lease.

24 January 2018 – The Lessee changes details of the proposed infrastructure works. Norse, on behalf of the Council, outlines indicative terms, which would cover the requirements, to the Lessee.

25 January 2018 – Norse officer, on behalf of the Council, meet the Committee to discuss terms for a new lease. The Committee was prepared to accept all terms proposed but would proceed only if the lease contained a right for it to purchase the premises, at full value, in the first 5 years.

The Committee indicated it has committed to the new Broadband contract and could delay deciding the location of the services no later than 12 February. The strong preference was to locate infrastructure within the premises but this required the new lease.

30 January 2018 – Norse provided detailed Heads of Terms for a new lease. These were subject to formal instructions from the Council. Instructions requested from the Council.

6 February 2018 – The Lessee indicates its decision date for the location of the infrastructure has been brought forward to 9 February. The Lessee indicated however, that it might take a view and proceed at risk, in order to ensure the infrastructure improvements are delivered.

7 February 2018 – Head of Law and Regulation asked to confirm procedural requirements under the Council's constitution.

14 February 2018 – Head of Law and Regulation advises. As the lease will contain a binding right to purchase the freehold, a formal Cabinet Member decision to proceed is required. He highlighted the urgent decision making process, available under the constitution.

Cabinet Member briefed.

The Lessee continues to press for progress due to works being undertaken at their risk.

Legal officers asked to prepare draft lease, pending decision by Council.

15 February 2018 – First draft of urgent action report prepared.

28 February 2018 – The Lessee expresses concern that the lease is not concluded and work is underway. Update provided for the latest Committee Meeting.

22 March 2018 – Formal decision to grant new lease, incorporating revised terms, taken by the Cabinet Member.

9 April 2018 – New lease completed.

3. COMMENT

Installation of the high-speed Broadband infrastructure improved services to the wider community. Funding for the works however, was available within a specific time window. Completing the new lease was required to properly manage the installation works and therefore the lease process needed to be concluded as a matter of urgency. There was insufficient time for any prior consultation or post-decision call-in period.

4. RECOMMENDATION

That the Committee notes the content of this note.
