

CYNGOR CYMUNED GORSLAS COMMUNITY COUNCIL
Update Notes Meeting Monday, 17th September, 2019.

5.0 Cefneithin Hall and adjoining Land.

- The Community Council have been engaged in the preparation of a new lease in respect of the land and hall at Cefneithin Park following the expiry of the previous lease a number of years ago.
- During that process was established by the solicitor acting for the Community Council that both the hall and the land upon which it stands are recorded as being in the ownership of the Community Council.
- This presents both an asset and a liability in that the Community Council own a valuable asset but could also be held liable for any major structural issues with the building – much along the lines of a standard landlord obligation.
- To address the immediate liability, issue the Community Council took out insurance to cover the loss of the building.
- The Cefneithin and Foelgastell Welfare Association has considered the terms of a revised lease and have asked the Community Council to consider transferring the land to the Welfare Association who paid for its construction and were under the impression that they owned the building. They ask that the position be regularised.
- The full Council have asked that the Sub-Committee examine the options for moving forward and make a recommendation as to the preferred way of proceeding.
- The attached report sets out the options for members consideration.

5.1 Lease Cefneithin Park

- A draft Heads of Terms document had been prepared and was considered by the Welfare Association.
- Having done so the Association have indicated that they would be prepared to consider taking over the ownership of the hall and land completely from the Community Council.

5.1.1 Five Year Lease. Features

- Ownership of land and building remain with the Community Council
- A formal lease would be prepared by a solicitor and agreed by both parties.
- The lease is adjusted to make the tenant responsible for inspecting / repair of the building including meeting costs of structural repairs.
- The current draft agreement would make the Welfare Association responsible for the building insurance and public liability insurance etc.
- An EPC survey and certificate would be required. Valid for 10 years.
- A Scale plan of land to be leased including services would be required.

5.1.2 Lease. Advantages

- No need for association to incur legal fees in preparing an agreement.
- No requirement for the Welfare Association to register the land with the Land Registry thus reducing costs.
- No requirement for land valuation by Community Council.
- No requirement for public consultation advert.

5.1.3 Disadvantages

- There will be a legal cost in renewing the lease every 5 years, Energy Certificate every 10 years and a new scale plan should the areas of responsibility change.
- Insurance. The solicitor advises against the option of allowing the Welfare Association insuring the building. The Community Council is the legal owner and thus if the building were not adequately insured then say following an incident such as the total loss of the building in a fire or similar the Community Council could be faced with meeting the cost of any shortfall in repair or for clearing the site if the Association could not do so.
 - Whilst repair and maintenance would be the responsibility of the association the Community Council would have an involvement and could have a liability as the legal owner of the building and land.
 - The lease would not reflect the reality of the situation in that the Association could be asked to leave at the end of the 5-year period. There is no automatic right of renewal.
 - The standard lease terms have to be amended and adjusted to suit the individual circumstances which incurs legal costs.
 - The temporary nature of the lease would prevent the Association from qualifying for large scale grant assistance.

5.2.0 Sale/Gifting

5.2.1 Main Features.

- Ownership and responsibility for both the land and building would transfer to the Welfare Association.
- There would be a need to agree the areas for transfer, the terms of the transfer, arrangements for shared use facilities and access for maintenance, services etc.
- There would be a need to draw up legal documentation, obtain a valuation, publish a notice and notify the external auditor.
- The land transfer would need to be registered with the Land Registry.

- Covenants could be included restricting use and specifying conditions for the return of the land.

5.2.2 Advantages

- Reflects the reality of the situation and the contribution made by the Association.
- Covenants can be included to restrict use to that of village hall and also for the land to be returned to the Community Council should the Association cease to exist or the facility/land cease to be used as a village hall.
- If transferred there would not be an ongoing liability for the Community Council in terms of the building, land or border hedges /walls.
- Guarantee of tenure for the Welfare Association.
- The Association would have a basis for applying for larger scale grants etc.
- The Community Council would not incur ongoing costs in relation to insurance, legal costs in every 5 years in renewing the lease/ obtaining the necessary certificates.
- The Community Council would not have liability for maintaining /repairing the boundary hedgerow or boundary wall.

5.2.3 Disadvantages

- The Community Council would no longer legally own the land or building.
- There would be an additional cost in terms of valuing, preparing a scale document and issuing a public notice. Costs could rise if there were any contentious or difficult issues.
- Unless the terms of the sale were broken the Community, Council would not have the right to review and terminate the arrangement as it would with a lease.
- The Association would incur costs in registering the land.
- Agreement may not be reached on the areas of land to be transferred.
- The car park and entrance would be regarded as shared areas and thus, if the Community Council wanted, could include a requirement for the Association to contribute towards maintenance costs.
- If suitable covenants were not put in place then the Association could use the land/building for other purposes or sell them for development or for a purpose other than a village hall.

5.3 Members views are sought on a preferred way ahead

