

Bill's report

Even though I retired as a Trustee of SVHMC last month as I am well past my sell-by date and have ongoing medical issues, I agreed to provide a report to the Trustees a fortnight ago regarding the saga surrounding the sale of the Village Hall by the Co-op as, for the last 16 years, in addition to my treasurers role, I have also dealt with the Charity's commercial and business issues as they have arisen.

I know full well the anger which exists both at Trustee level and also amongst the village community – a stance which I share – but unfortunately a number of people have come to conclusions without knowing the full background. If they did have the full facts, particularly those surrounding legal issues, then most of their concerns would simply evaporate.

Against this background, I am putting my own anger to one side and present a chronological sequence of events taking a completely neutral stance throughout to leave you all to draw your own conclusions.

The Village Hall was originally one of 3 blacksmiths shops in the village when Stoughton was the headquarters of the CWS farms. In 1944, the CWS converted the smithy to a social centre, known as The Village Institute, principally for its employees. CWS never charged rent, and covered the cost of heating, lighting, and, over the years, undertook repairs to the building. Presumably repairs costs escalated as, by the late 1980s, the building was in such a bad state of repair, with ingress of water through the roof whenever it rained, the Institute closed. We have recently searched the planning application details at Harborough District Council and discover that an internal Council memo in November 1990 describes the property as “semi derelict for some time” which confirms our earlier description of the property. CWS was seemingly keen to get rid of the liability, agreeing to lease the derelict shell to a new Charity, Stoughton Village Hall Management Committee, on the basis that the Charity completely renovated the property to an acceptable standard – the 40 year lease to the Charity and the Trust Deed for the creation of the Charity were signed contemporaneously. The residents of Stoughton raised the full amount to cover the cost of the renovations through a public appeal for donations, car boot sales, bonfire night, music week and other fund-raising events. This, together with grant funding enabled the Village Hall to be brought back into being a community centre for the village.

Many village halls are run by Parish Councils, but I have been unable to ascertain why this was not the case in Stoughton and there is no record of why a separate charity was formed or how the deal was struck in the way it was but suffice it to say that the establishment of the Charity documentation has all the hallmarks of CWS involvement. I am certain that it is no coincidence that the the charity was formed on the very same day - 27 September 1991 - that the lease for 40 years was granted.

Looking at it from the Co-op's point of view, they had a derelict building which needed about £30000 spending on it to bring it up to the standard it is today. If they had undertaken the work themselves, they would have probably charged rent of say £2000, with a new charity simply walking in to run it. Over a 40 year period, they would have covered their outlay and made a significant profit. The obvious downside would have been if the Charity failed to pay the rent for any reason, the Co-op would have been left with a white elephant. I surmise that they opted for the safer route of getting the charity to fund the building costs but instead of charging a high rent, simply asked for a nominal figure of £25 per annum to reflect the fact that they still owned the freehold and to cover their admin costs. It is common practice for the freeholder to “inherit” the value of the demised property at the end of a lease and that would have been explained to the charity by their solicitors before the lease was signed. However unpalatable this may seem now, I am afraid that this is a fact of life and there is absolutely nothing that can be done to change this. By selling the freehold now, the Co-op are effectively getting part of their “spoils” 9 years early. The only thing which we can do is to lean on their goodwill and the Co-op directors consciences in the hope that they will feel obliged to give us at least part of the sale proceeds. They have been reminded on a number of occasions that Stoughton is an estate village, with CWS, in its farming heyday, owning almost all the land in and around the village and employing many of the villagers. It has been mentioned in the recent past that CWS would be prepared to gift the Village Hall to the village. Then there was a suggestion that nominal consideration would be required and now an offer is being sought. At no time has the Co-op stated the price which they would accept – they have been seeking offers from us prior to the property being formally marketed.

We have 2 leases – the first one covers the hall, the brick building at the front and the car park and is subject to the Landlord and Tenant Act 1954 at £25 per annum A second lease covers the wooden shed signed in 2015 at £10 per annum.

The key aspect of both leases is that they give us security of tenure until September 2031 provided that we pay the rent, fully maintain the property and insure the property. No ands, ifs or buts and this applies to any purchaser from the Co-op. In 2031 at the end of the lease period, we have the automatic right to protection under the Landlord and Tenant Act 1954 to renew our lease for a further period (apart from the wooden shed) What nobody knows is what the rent would be in the future – in any case, if there was stalemate between the freeholder and the charity, a judge would decide as an interim measure

The saga of the potential purchase of the freehold interest started exactly a year ago but responses to our letters from Savills have been slow, presumably because we have raised issues which they could not answer or chose to answer

obliquely and they have had to refer back to Co-op at every touch and turn. With letters to Savills and copies to the Property and legal departments of the Co-op not bringing any response as to how much the Co-op wanted for the property, we wrote to the Chief Executive of Co-op on 13 July – No response. A chaser letter has been sent – final response that the Co-ops stance has not changed.

Site Plan as appearing in Auction catalogue was handed out (Appendix 1}

We have pointed previously out a number irregularities in the site plans which they have largely amended, yet when it comes to the published auction sale catalogue, some issues have been ignored with the result that the auction particulars have an incorrect plan and a misleading description of the freehold land. As long ago as 20 December last we stated “Freehold car park and ancillary roadway - in poor state, currently in need of maintenance with no perceived income generation or development value.”

Turning to the issue of access to the properties in Church Lane and to the Play area., Savills acknowledged that “No 8 Gaulby Lane has the right to vehicular and pedestrian access to the rear of the property. No 1 -15 Church Lane also have the right to vehicular and pedestrian access to the properties” The Site Plan does not recognise these rights nor does it include the right of the Parish Council for access to the Play Area nor for No 10 Gaulby Lane to a designated parking spot which the tenant pays for as part of his rent and consequently I have redrawn the Site Plan as shown in the auction catalogue to reflect these rights. With the access road occupying half the freehold area, and with a parking space allocated to No 10 and vehicular access granted to No 8, this leaves only about 400 sq ft. for parking just 3 vehicles at most, compared with the 1374 sq ft shown in the auction particulars.

The Auction catalogue site, plan amended to show these alterations, was handed out (Appendix 2)

Action Plan

Amendment to site plan and alteration of sale particulars – advised to Savills, auctioneers, and Co-op immediately after the meeting on 31 August 2022 – awaiting action

Rocket to Savills re their failure to advise us of the Guide Price prior to it being made public– advised to Savills, auctioneers and Co-op immediately after the meeting on 31 August 2022

Ask residents not to take any precipitous action until SVHMC has had confirmation that the plans have been revised

Ask residents not to bid, however well intentioned

Obtain a valuation from a specialist valuer for the valuation of the freehold interest (NOT a valuation of the property)– SVHMC has asked Jonathan Unna who regularly values the property for insurance purposes to provide us with a valuation of the Freehold Interest