

SERVICE AREA: Corporate Services

Report ref	Report title
	Mahogany Arts Ltd, 28 High Street, Harlesden; and Pakistan Community Centre, Lennon Road, Willesden, NW2
<p>Summary / Nature of Decision to be taken / Intended Outcome</p> <p>A report: "Youth and Community Centres Review – Update" was presented to the Executive on 11th October 2004, when it was resolved:</p> <p>"(iii)(b) <u>Mahogany Arts</u>: it be noted that a separate report would be brought to the Executive when outstanding legal issues had been agreed and a way forward agreed with Mahogany Community Ventures Ltd;</p> <p>(c) <u>Pakistan Community Centre</u>: it be noted that a separate report would be brought to the Executive when the legal rights, if any, of the Pakistan Workers Association to the Pakistan Community Centre had been established and agreed by the Council and terms agreed with the trustees of the Pakistan Workers Association."</p> <p><u>Mahogany Arts</u>:</p> <p>The freehold of 28 High Street Harlesden was acquired by the Council pursuant to a statutory Blight Notice in January 1995. A 99 year lease was immediately granted to Mahogany Arts Ltd (hereinafter referred to as MAL) at a premium of £140,000 and which was used by the Council to fund the blight purchase.</p> <p>MAL was formed as a charity in the form of a company limited by guarantee with the objectives of continuing the development of the carnival arts, through offering education and training opportunities to local people. The centre is used for the manufacture and sale of carnival art works both nationally and internationally. It was supported by grants from the Harlesden City Challenge.</p> <p>Using those funds, MAL acquired the long lease from the Council and contracted with a building contractor to undertake works of refurbishment and adaptations. A dispute arose between MAL and the contractor, resulting in MAL withholding a sum of money. The contractor sued MAL in the County Court and won, forcing MAL into liquidation.</p> <p>The lease provided that, in the event of MAL entering into liquidation, then the Council may re-enter the premises and terminate the lease. In any event, the successor organisation to MAL (Mahogany Community Ventures Ltd) has remained in occupation holding over.</p> <p>The legal background is complicated and consideration is being given to:</p> <ul style="list-style-type: none">• the nature of the new organisation now seeking to continue in occupation and its connections with the former entity.• the status of the original lease; and• in the event that members will wish to grant a new lease to MAL's successor, then under consideration are possible management options, including the grant of a short or long lease and, as to rent, possible abatement provisions related to the community objectives of the organisation. <p>It is proposed to seek advise the Executive on these issues, prior to seeking to discuss or negotiate options with MCVL.</p>	

Pakistan Community Centre:

The report to the Executive on 11th October reported that The Pakistan Workers Association (the Association) was formed in 1967/68 and, in 1981, were granted a licence to occupy land owned freehold by the Council, originally part of the Willesden Green Station Goods Yard. A community centre was built, in part funded by the Urban Programme with a balance of £18,164 funded by the Council. An initial nine month licence to occupy the site was signed by the Association and a draft longer term licence was supplied in draft to the Association and acknowledged by them.

The Association maintain that it was always intended that the site would be transferred freehold to them for nil consideration and have provided affidavits to support that view.

The Council's Borough Solicitor has considered all the available papers and now advises that no sound basis can be discerned for the Association's contention.

It is understood that the Association may wish to seek funding for new works to its building and, to do so, may require a more substantial title to the premises than a mere licence.

The site is worth some £1m for residential development or some £30,000 pa on the basis of use limited to community purposes. The Association has indicated previously that it is unwilling to pay any consideration. The Council cannot give its landed interests freely, except with the appropriate consent of the Secretary of State and then with due justification.

There are three choices:

- for matters to be left as they are – and which may frustrate the Association's possible expansion plans;
- to offer to sell them the site at full value; or
- to grant a lease of a length sufficient for their purposes, subject to a rental and which may be abated subject to agreed community service outputs.

It is proposed to advise the Executive on these issues, prior to seeking to discuss or negotiate options with the Association

Timescale for decision

A report is proposed to the meeting of the Executive on 17th January 2005 to recommend appropriate action in respect of Mahogany Arts and, subject to negotiations with both parties.

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