

**BRIEFING NOTE on Issues included in the Forward Plan – 2004 /2005.
FORWARD PLAN SELECT COMMITTEE MEETING 29 MARCH 2005**

SERVICE AREA: Corporate Services

Report ref	Report title
Cor 04 /05-5	Youth & Community Centres – further update reports on Mahogany Arts and the Pakistan Workers Association

Summary / Nature of Decision to be taken / Intended Outcome

SUMMARY: Information contained in a Briefing Note to this Select Committee on 06 January 2005 is repeated below but updated to reflect the position as at 15 March 2005.

A report: “Youth and Community Centres Review – Update” was presented to the Executive on 11th October 2004, when it was resolved:

“(iii)(b) Mahogany Arts: 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;

(c) Pakistan Community Centre: 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.”

Mahogany Arts:

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).

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 which in turn was funded by the then Department of the Environment (DoE).

Using DoE funds, MAL 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.

The lease provided that in the event of MAL entering into liquidation, then the Council could forfeit the lease and re-enter the premises. The Council did not formally do this but owing to the lessee company’s liquidation, the lease became vested in the Treasury Solicitor’s Office “bonavacantia”.

Notwithstanding who now owned the lease, the occupants in the building remained much as before although now in the employ of a successor organisation to MAL known as Mahogany Community Ventures Ltd (MCVL). This new company and its employees remain in the building at present and they are seeking to have the former lease belonging to MAL signed over to them or a new 99 year lease granted to them. The Directors of MCVL blame the Council for the predicament of MAL's liquidation and believe it to be just and equitable for the Council to right this wrong by recognising MCVL's claim to a new long lease.

The legal background is complicated and consideration has been given to:

- 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 wish to grant a new lease to MCVL, then consideration needs to be given to 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.

March 2005 Update

Brent's lawyers are seeking a declaration from the Treasury Solicitor's Office (in whom the existing lease is vested bonavacantia) that the said Office disclaims the lease (with its responsibilities). Once disclaimed, LB Brent as freeholder can lay claim to the lease and the property. However, the Council acknowledges the community work which both MAL and now MCVL undertake which benefit both Harlesden and Brent as a whole and negotiations continue with interested parties to seek a way forward which addresses the matters noted in the "bullet points" above.

A verbal update on where Council officers are with these negotiations will be given to Members of this Select Committee at the meeting on 29 March 2005.

Pakistan Community Centre:

The report to the Executive on 11th October 2004 reported that The Pakistan Workers Association (the Association) was formed in 1967/68 and, in 1981, was 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 up to £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 – although the Council has dispensation to sell at undervalue (or for less than Best Consideration) where it considers such a disposal will help it to secure the promotion or improvement of the economic, social or environmental well-being of its area. A disposal to a properly constituted community group providing real facilities and benefits to the community could come within the dispensation should the Council wish to sell at under value and should Members consider there to be suitable grounds for exercising such rights.

Negotiations between the Council and the present day trustees of the Association became stalled – with the Association maintained its position of claiming a right to the freehold for free – and with Council officers requiring some consideration for the grant of a formal interest in the centre to the Association.

March 2005 Update:

A further meeting between Council officers and the trustees of the Association is being planned before the Easter holiday – to see if the parties can agree a compromise position. *A verbal report on the outcome of this meeting and any subsequent progress made will be given to Members of this Select Committee at the meeting on 29 March 2005.*

Timescale for decision:

A report was proposed to the meeting of the Executive on 17th January 2005 to recommend appropriate action in respect of Mahogany Arts and the Pakistan Workers Association. This report was deferred given the number of outstanding issues which remained to be resolved and the report still remains deferred until agreement is reached with the two organisations. The report is not now likely to go to the Executive until the new cycle – Council year 2005 /06.

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