

Divisions Affected – Watlington and Chalgrove

CHARLOTTE COXE TRUST COMMITTEE

28 APRIL 2022

RENOVATION AND LETTING OF 33 HIGH STREET, WATLINGTON

Report by Director of Law and Governance

RECOMMENDATION

1. **The Committee is RECOMMENDED to**
 - (a) Permit Watlington Parish Council (“the Parish Council”) to use volunteers to carry out decorating and garden renovation work at 33 High Street, provided that other work is handled by professional contractors.
 - (b) Authorise Oxfordshire County Council (“the County Council”) to grant a 12 month tenancy of the property at a peppercorn rent to Watlington Parish Council which allows the Parish Council to sublet the property to refugees, provided that the Parish Council takes on full responsibility for repair during the term of the tenancy and any profit the Parish Council makes from subletting is returned to the Trust.

Executive Summary

2.
 - (a) The Director of Law and Governance has already indicated to the Parish Council that it can carry out certain renovation works at 33 High Street, subject to it entering a licence agreement. It was originally anticipated that all work would be carried out by professional contractors, but the Parish Council would like to be allowed to use volunteers.
 - (b) The Parish Council would like 33 High Street to be occupied by refugees. The County Council is conscious that providing free accommodation to refugees falls outside the objects of the Trust (which are to benefit the people of Watlington). However, as the people of Watlington (as represented by the Parish Council) are apparently keen on the idea, as the property has been unoccupied for around 10 years and the alternative is for it to remain unoccupied, and as the refurbishment work is being funded externally on the understanding that the property will initially be made available to refugees, short term occupation by refugees is unlikely to be problematic.

Use of Volunteers

3. The draft licence agreement supplied to the Parish Council requires all work to be done by professional contractors – clause 4.1(b).

4. The Parish Council's solicitor has asked for the provision requiring professional contractors to be removed from the licence.
5. 33 High Street is a historic listed building and any work carried out at it is subject to listed building requirements as well as building regulations. The County Council has ultimate liability (as freeholder) for breaches of these requirements/regulations and they are extensive and dealing with breaches could be costly for the County Council, which costs it would have to recover from the Trust. The County Council's in-house surveying team does not have capacity to supervise the work of a team of volunteers.
6. In view of this, it is recommended that if volunteers are to be allowed to carry out work, the work should be limited to decorating work and garden maintenance work, as this work is outside the scope of the building regulations and is unlikely to cause damage to the property.

Letting

7. The County Council cannot grant Assured Shorthold Tenancies (which are the normal modern form of tenancy agreement) and any tenancy that the County Council grants to a private individual or family risks becoming a Secure Tenancy (which is difficult to terminate and may give the tenant a right to buy the freehold at a discount).
8. The Parish Council, by contrast, can grant Assured Shorthold Tenancies, and so if the property is to be let to refugees, the best way of proceeding would seem to be for the County Council (as freeholder) to grant a 12 month tenancy of it to the Parish Council, which allowed the Parish Council in turn to sublet it on an Assured Shorthold Tenancy of no more than 12 months. The tenancy could require the Parish Council to assume full responsibility for the maintenance of the property (including an obligation to put right any damage) and also require the subletting to be to refugees, and for any income (eg from housing benefit or government grants) the Parish Council received to be returned to the Trust.
9. Letting the property to refugees is outside the charitable purposes of the Trust (which are to benefit the people of Watlington) and no income for the Trust will be produced from the letting. If a letting is outside the charitable purposes of the Trust, trustees, in keeping with their fiduciary duties, should normally insist on it being at a full market rent. For the reasons set out above, however, members may decide that a short-term letting (provided it is for no more than 12 months) is acceptable.
10. Members are reminded that they have strict obligations to act prudently and to respect the purposes the Trust was set up for, and that they are accountable to the Charity Commission if they are considered to have breached those obligations.

Financial Implications

11. The licence agreement referred to above requires all costs in connection with the renovation works to be paid by the Parish Council and the amendment to the agreement recommended by this report does not change this. The recommendation therefore has no financial implications for the Trust or the County Council.
12. The recommendation to authorise a 12 month letting of the property at a peppercorn rent does have financial implications for the Trust (which could otherwise be earning a market rent for the property) and the report asks members to take the potential loss of income into consideration in their decision-making.
13. As Trust funds are separate from the County Council's own funds, the recommendation to authorise a 12 month letting does not have direct financial implications for the County Council. Nevertheless, the County Council has ultimate financial responsibility for the Trust and this is another reason why members need to ensure all decision-making regarding the property is prudent and justifiable.

Comments checked by:

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ANITA BRADLEY
Director of Law and Governance

Annex: Draft Licence with Schedule of Works annexed

Background papers: Nil.

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