

**Decision Maker:**       **COUNCIL**

**Date:**                   **Monday 15 July 2024**

**Decision Type:**       Non-Urgent                               Non-Executive                               Non-Key

**Title:**                   **PETITION – MELVIN HALL**

**Contact Officer:**       Graham Walton, Democratic Services Manager  
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**Chief Officer:**        Tasnim Shawkat, Director of Corporate Services and Governance

**Ward:**                   Penge and Cator

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1.    Reason for decision/report and options

1.1 Under the Council's Petition Scheme, if petitioners are dissatisfied with the Council's response to their petition they can present their case to full Council, provided that the number of verified signatures exceeds the threshold of 500 signatures for a traditional paper petition, or 4,000 signatures for an online petition. The lead petitioner or their nominee can address the Council for up to five minutes, after which Members can debate the issues raised. The choice before the Council is essentially to either recommend the Executive, or the relevant Portfolio Holder, to take action, or it can note the petition and decide that no further action be taken.

1.2 Council is requested to consider one petition concerning Melvin Hall in Penge.

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2.    **RECOMMENDATION**

**The Council is requested to consider the case made by the lead petitioner and either recommend action to be taken by the Executive or relevant Portfolio Holder, or note the petition and decide that no further action be taken.**

## Impact on Vulnerable Adults and Children

1. Summary of Impact: Not Applicable
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## Transformation Policy

1. Policy Status: Existing Policy
  2. Making Bromley Even Better Priority:  
(5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
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## Financial

1. Cost of proposal: No Cost
  2. Ongoing costs: Not Applicable:
  3. Budget head/performance centre: Not Applicable
  4. Total current budget for this head: Not Applicable
  5. Source of funding: Not Applicable
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## Personnel

1. Number of staff (*current and additional*): Not Applicable
  2. If from existing staff resources, number of staff hours: Not Applicable
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## Legal

1. Legal Requirement: None
  2. Call-in: Not Applicable: Council decisions are not subject to call-in
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## Procurement

1. Summary of Procurement Implications: Not Applicable
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## Property

1. Summary of Property Implications: Not Applicable
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## Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: Not Applicable
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## Impact on the Local Economy

1. Summary of Local Economy Implications: Not Applicable
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## Impact on Health and Wellbeing

1. Summary of Health and Wellbeing Implications: Not Applicable
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## Customer Impact

1. Estimated number of users or customers (*current and projected*):
- 

## Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: Not Applicable

### 3. COMMENTARY

- 3.1 The Council's Petition Scheme allows for petitioners to present their case to full Council if they are dissatisfied with the Council's response to their petition, provided that the number of verified signatures exceeds the threshold (for paper petitions) of 500 signatures from people who live, work or study in the borough. The lead petitioner or their nominee can address the Council for up to five minutes – they do not take part in any subsequent debate and must return to the public gallery. Once Members have considered the matter, they can choose whether to recommend any further action, or to agree that no further action should be taken.
- 3.2 The petition to be considered is entitled "Stop the rent hikes at Melvin Hall" and it states –  
"We request the London Borough of Bromley Council to value this building as a Community Centre, value the work done by volunteers support MHCG."
- 3.3 The petition was submitted to the Council on 16<sup>th</sup> February 2024. It includes 980 signatures, of from people providing valid addresses in the borough, as well as a further 240 non-qualifying signatures. The number of signatures is therefore above the threshold allowing the lead petitioner to speak at a full Council meeting. A reply was sent to the lead petitioner on 9<sup>th</sup> May 2024 explaining the Council's position – this is set out at [Appendix A](#).
- 3.4 The lead petitioner, Mr John Clyde, Trustee and Treasurer at Melvin Hall, has indicated that he is not satisfied with the Council's response and would like to take up the opportunity to address full Council in support of his petition.

<b>Non-Applicable Headings:</b>	Impact on vulnerable adults and children/Policy/Finance/Legal/Human Resources/Procurement/Property/Carbon Reduction/Local Economy/health and Wellbeing/Customers/Ward Councillors
Background Documents: (Access via Contact Officer)	Petition – Melvin Hall

9<sup>th</sup> May 2024

Dear Mr Clyde,

Thank you for the petition received requesting to 'Stop the rent hikes at Melvin Hall'.

The financial background to the new rent charge for Melvin Hall is that the Council is facing a potential budget gap of around £20m in 2025/26, increasing to £38.7m per annum in 2027/28. Bromley has the second lowest level of settlement funding per head of population in London and continues to express serious concerns with the current and previous governments about the fairness of the funding system and to lobby for a fairer deal for our residents. For these reasons, the Council has had to take the decision to ensure that all services and support to all residents can be sustained within budget. In applying the new commercial rent all tenants are being treated fairly.

With regards to the rent increase itself I hope that it is helpful to share the context of the Council's proposal and that it is required by legislation under Section 123 of the Local Government Act 1972 to achieve best value, on behalf of all Council Taxpayers, when considering its approach to the management of its property assets. Best value is achieved by assessing the open market value of the property at the date of the relevant lease event (renewal or rent review) based on the available comparable evidence. This comparable evidence considers similar properties that are in the locality and have the same use.

The increase in rents on Council owned properties that are leased by voluntary sector organisations has been noted by the Council, and in response to this The Executive on 29th November 2023 agreed the following:

1. The Director of Housing, Planning and Regeneration be authorised, in consultation with the Director of Finance and the Portfolio Holder for Resources, Commissioning and Contract Management, to negotiate Payment Management Plans with Voluntary Sector Organisations whose financial integrity may be significantly impacted by rental increases.
2. A Payment Management Plan be considered where a rental increase of over 30% has occurred following a lease renewal or rent review on a Council owned property let to a Voluntary Sector Organisation.
3. Payment Management Plans provide a stepped rental increase over a period of up to 3 three years with the rent payable on the third anniversary of the lease renewal or rent review being the Open Market Rent as determined at the prior (increased rent) lease event adjusted for subsequent CPI (Consumer Price Index) and with all future rents to be increased annually in line with CPI.
4. It be authorised that a Payment Management Plan is a one-off transitional arrangement to allow a Voluntary Sector Organisation to adjust to the new increased rent.
5. The Director of Housing, Planning and Regeneration be authorised, in consultation with the Director of Finance and the Portfolio Holder for Resources, Commissioning and Contract Management, to negotiate repayment plans or other suitable financial

arrangements with Voluntary Sector Organisations outside of the parameters of a Payment Management Plans as set out in paragraphs 2.2 and 2.3 of the report. These arrangements may be up to a maximum sum of £50,000 or if higher only with the approval of the Executive.

Paragraphs 2.2 and 2.3 of the 29th of November 2023 Executive report are as follows:

2. Authorise that a Payment Management Plan be considered where a rental increase of over 30% has occurred following a lease renewal or rent review on a Council owned property let to a Voluntary Sector Organisation.
3. Authorise that Payment Management Plans provide a stepped rental increase over a period of up to 3 three years with the rent payable on the third anniversary of the lease renewal or rent review being the Open Market Rent as determined at the prior (increased rent) lease event and with all future rents to be increased annually in line with CPI (Consumer Price Index).

A copy of the decision item number 9 – Local Authority & Voluntary Sector Leases is attached for your reference.

Whilst many of the organisations that use Melvin Hall do provide valuable support to local people all, but the Gateway Club, are not directly funded by the Council. For the same reasons as stated above the Council's financial position does not allow us to step in and give support. In the case of the Gateway Club, Officers from the Council's Adult Social Care Department have made direct contact with them and will offer support in finding alternative arrangements should the Melvin Hall Community Group choose not to agree to the terms of the new lease.

When considering a way forward the following actions should be considered:

- If you have not already done so you could contact Bromley's local voluntary and community sector support organisation, Community Links Bromley, who can offer you advice on your business planning, raising funds and finding other community organisations that might also want to share the costs of running Melvin Hall.
- The Council urges all Voluntary Sector Organisations who will benefit from the stepped rent arrangement to utilise the 3-year period to review their occupational property requirements, charging policies and opportunities for additional income generation including sub-letting, more efficient use of the premises and alternative uses such as events, exhibitions and functions during non-operational times.

The Council is in communication with the Melvin Hall Community Group, their solicitors and surveyors, the details of which are confidential, to seek a resolution to this matter.