

9 November 2018

Sue Creswick
Gloucestershire Association of Parish and Town Councils

Our Reference: Glos 18/295
Your Reference:

By email only - admin@gaptc.org.uk

Dear Sue,

Re: Client: **Kempley Parish Council**
Subject Matter: **Grant to Village Hall**

I have been allocated this request to advise upon and I have seen your emails dated 25 and 29 October and 1 November 2018 enclosing a copy of a lease dated 31 March 2016 between Gloucester Diocesan Trust, Kempley Parochial Church Council and Kempley Village Hall Trust (the Trust); together with a report dated 28 August 2018 regarding Kempley Village Hall in the matters of ownership and a Public Works loan; a copy of a letter dated 26 September 2018 from parish councillor Dr Bob Earll and an exchange of emails dated 5 to 17 September 2018 between councillor Dr Bob Earll and GAPTC.

The issue in this request is whether a grant can be made to a village hall trust which has a connection to the local church.

Under the 2016 lease the Trust has exclusive possession of the village hall subject only to the right of the church to use the hall free of charge for five days per month and the right of the church, as landlord, to inspect the hall to ensure that the terms of the lease are being kept including the maintenance of the property. The annual rent under the lease is £5 which clearly reflects the fact that the landlord has the right to free use of the facilities on 60 days per year.

The parish council is proposing to borrow money to grant to the Trust towards the redevelopment of the village hall.

Section 8 of the Local Government Act 1894 prohibits the parish council from contributing to works on “parish property, not being property relating to affairs of the church or held for an ecclesiastical charity”.

The Schedule 2 paragraph 1 of the 2016 lease requires the Trust to use the village hall for the benefit of the community “without distinction of political or religious or other opinions” which clearly shows that it is, during the term of the lease, not “relating to the church”. Also the hall is “held for” (i.e. controlled by) the Trust and not an ecclesiastical charity.

Therefore the parish can borrow money to grant to the Trust. It is, of course, not possible in any circumstances for a local council to borrow money to lend to another body.

I hope that this clarifies the position but if the council requires any further information or advice please contact NALC again.

Yours sincerely,

Gary Barker
Solicitor
NALC

Direct Line: 020 7290 0310