

Strategic Asset and Risk Review: Use of Community Hub by Limes Farm Community Group
Date: 26 June 2025

1. Executive Summary

Since October 2022, volunteers coordinated by the Limes Farm Community Group have used the Community Hub section of Victory Hall rent-free. While the Hub provides valued services including a community pantry, social activities and mental health support this exclusive use arrangement has not been formally approved by Full Council. Initially stemming from the temporary Warm Spaces initiative, its continuation now presents a growing financial burden and restricts wider community access.

The Parish Council continues to cover business rates, utilities, and has awarded over £6,000 in grants in 2024/25, while anticipated rental income of £5,000 has not materialised. Exclusive use of pantry storage and other shared spaces further limits hire availability for other community and commercial users, affecting potential revenue generation. Although no complaints have been received, the Council notes that other longstanding groups such as the Senior Citizens Lunch Club, CROADS theatre group, and a local prayer group pay for access raising potential equity concerns.

In light of these challenges, the Council must now evaluate the financial, operational and strategic implications of current arrangements. Accordingly, it was considered and recommended by Finance and Governance (minute ref FG021/25) that:

- A **Cost Review** be conducted to validate the necessity, scope, and pricing of proposed works, including kitchen and toilet facilities, contingency allowances and all associated elements to safeguard against overpayment and budget overruns;
- A **Strategic Review of Facility Use** be undertaken to assess the broader financial, community, and operational impact of exclusive use agreements and explore options to maximise access and income;
- **Epping Forest District Council (EFDC)** be requested to review the terms of the grant agreement, particularly the free use provisions and scope of works, in view of concerns around equity, cost justification and long-term sustainability;
- **Signing of the grant agreement be delayed** until internal review is complete and EFDC has responded to the Council’s request for reconsideration, ensuring any commitments made are fair, affordable and future-proof.

This report forms the Strategic Asset and Risk Review of Facility Use to the Council in order it can assess the financial, operational and strategic sustainability of the current arrangement to ensure transparent, equitable and effective use of public resources across all community stakeholders.

2. Current Situation Overview

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| Asset | Chigwell Community Hub – 237 sq m, Rateable Value: £6,266 |
| User Group | Limes Farm Community Group |

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|-------------------------------|---|
| Duration of Use | Since October 2022, rent-free |
| Services Provided | Community Pantry, Social, mental an physical health support |
| Funding Received | £6,000 form Parish Council (2024/25) plus £10,000 from EFDC |
| Parish Council Costs | Circa £13,000 rates, maintenance & utilities per annum |
| Lost Income (FY 24/25) | £5,000 budgeted hire income not realised |
| Usage Levels | 30–40 weekly users; unclear how many are Chigwell residents |
| Restrictions | Pantry storage blocks lettings to other users |
| Governance Gap | Use not minuted or formally agreed by Council |
| Alternative Venues | Limes Farm Hall not used; reasons unclear |

3. Risks Identified

| Risk Category | Description |
|-----------------------------|--|
| Financial Risk | Ongoing and unsanctioned subsidy of costs, lost income opportunities |
| Governance Risk | Lack of formal agreement or Council approval; poor audit trail |
| Strategic Asset Risk | Community asset locked from broader community or commercial benefit |
| Transparency Risk | Unclear who benefits; Chigwell residents funding potential non-residents |
| Reputational Risk | Perception of unfairness, lack of oversight or poor financial management |

| Risk Category | Description |
|-----------------------------|---|
| Financial Risk | The ongoing unsanctioned subsidy of utility bills, business rates and operational costs for a single group places increasing pressure on the Council's limited resources. Projected income from Victor Hall hire has not been realised due to restricted access. Other established community groups continue to pay hire fees, creating a funding imbalance. Additionally, failure to generate income compromises the Council's ability to plan and finance long-term maintenance or essential renovation works fro Victory Hall. |
| Governance Risk | There is no formal agreement or full Council resolution authorising the rent-free exclusive use of Victory Hall by the Limes Farm Community Group. The lack of documented terms, performance measures or review mechanisms weakens the Council's audit trail and exposes it to scrutiny over fairness, procedural rigour and accountability. This may undermine trust in local decision-making. |
| Strategic Asset Risk | Victory Hall and the Community Hub is a valuable community asset intended to serve a wide range of users. Exclusive use of part by one group prevents broader community and commercial access, limiting its strategic potential. This underuse may reduce the building's perceived relevance and value over time while increasing reliance on council subsidies to maintain the facility. The lack of diverse or local usage also hinders justification for future investment or renovation funding. |

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| Transparency Risk | There is a lack of clear reporting on who benefits from the services provided by the Limes Farm Community Group. Without verified data on users such as numbers, residency status or service outcomes, the Council cannot confidently assure residents that public funds are being used equitably or that the benefits are reaching all Chigwell residents as intended. |
| Reputational Risk | The current arrangement risks being seen as preferential treatment, particularly as other local groups such as the Senior Citizens Lunch Club, CROADS theatre group and the local prayer group pay to use Parish owned community facilities. This perceived inequity may lead to community dissatisfaction and reputational damage especially if questions arise about oversight, consistency or financial stewardship. |
| Operational Risk | Exclusive use by one group reduces the Council's flexibility to manage the facility in response to changing community needs. It also prevents routine hiring that could offset the building's operational costs. Deferred maintenance combined with limited revenue may accelerate wear and lead to more costly renovations in the future without a sustainable income plan. |

4. Advantages and Disadvantages of Proceeding with Current Arrangement (Unchanged Use)

| Advantages | Disadvantages |
|--|---|
| Continued support for vulnerable residents through mental health, community and food support initiatives | Council incurs ongoing costs (approx. £13,000 per annum) with no income recovery |
| Helps fulfil social and community objectives | Lost opportunity to let space to fee-paying groups; budgeted revenue on £5,000 not achieved |
| External funding to Chigwell Parish (£60K EFDC grant) to support VH operations available | Use has not been approved or minuted; no formal agreement on liability, access or accountability |
| Could contribute to community wellbeing and cohesion | Subsidy not targeted; unclear whether beneficiaries are Chigwell residents or drawn from neighbouring areas |
| Reduces administrative burden for Council in short term | Sets precedent for future informal use of parish assets without oversight |
| Risk of public criticism reduced in short term if services are maintained | Poor value-for-money for public funds; limited measurable impact or reporting |
| Possible reputational credit for Council in continuing support | Storage and use blocks other users and commercial hire; inefficient asset utilisation |
| The arrangement supports a volunteer-led initiative | Other community groups who pay to use Victory Hall may perceive the arrangement as unfair |

Advantages

1. Continuity of Service

The group can continue delivering valued services such as the community pantry, social

activities and mental health support without interruption which benefits vulnerable and isolated residents.

2. Community Goodwill

The arrangement supports a volunteer-led initiative

3. Minimal Disruption

Maintaining the status quo avoids short-term disruption to a functioning programme and does not require new administrative arrangements or negotiations.

4. No Immediate Administrative Burden

Continuing unchanged avoids the need for drafting formal agreements, renegotiating terms or re-evaluating room allocations, all of which require council officer time and resources.

Disadvantages

1. Ongoing Financial Burden

The Council continues to subsidise running costs, losing out on potential income that could be used to offset utility bills or fund essential maintenance and renovation of Victory Hall.

2. Perception of Unfairness

Other community groups who pay to use Victory Hall may perceive the arrangement as unfair, especially given rising costs and competing demand for space.

3. Lack of Formal Oversight

Without a formal agreement, there are no mechanisms to monitor service quality, review usage levels or ensure value for money. This weakens accountability and could create audit issues.

4. Limited Access for Others

Exclusive use blocks wider community access and prevents potential commercial hires, undermining the strategic value of Victory Hall as a shared public resource.

5. Sustainability Risks

Relying on a single user group limits the flexibility and resilience of Victory Hall's operations. It also makes it more difficult to justify future investment or secure grants for upkeep or upgrades.

6. Equity Concerns for Residents

Without clear evidence that the group primarily serves Chigwell residents, the Council risks subsidising services for non-residents using local taxpayers' money.

5. Options for Council Consideration

Option 1: Formalise Current Use with Service Level Agreement

- Draft an SLA with the Limes Farm group defining permitted use, responsibilities, review periods and conditions.
- Retain partial subsidy if agreed by Council but introduce oversight and reporting.

Effect on Financial Stability:

Limits uncontrolled costs, introduces accountability but only partially mitigates revenue loss.

Option 2: Introduce Tiered Rent and Shared Utility Costs

- Begin charging a reduced community-use rent with phased increases.
- Group contributes to utilities and supplies.

Effect on Financial Stability:

Recovers some operating costs and reduces burden on Council; balances financial and community objectives, same option may have to be offered to other community led groups

Option 3: Transition to Shared Use Model

- Reconfigure storage and allow partial commercial/community hire.
- Schedule regular access for the Limes Farm group while opening access to others.

Effect on Financial Stability:

Increases income potential and improves asset use; requires modest setup/reconfiguration.

Option 4: Revoke Exclusive Use and Reintroduce Standard Hiring Model

- End informal use; require all groups to hire space under council terms and fees.
- Assist group in applying for subsidy or accessing alternative venues like Limes Farm Hall.

Effect on Financial Stability:

Maximises income recovery and re-establishes policy compliance; possible public backlash.

6. Governance and Declaration of Interests

Councillors who are volunteers with or actively involved in the Limes Farm Community Hub activities should carefully consider whether they have a personal or prejudicial interest in any decisions relating to the facility's use or funding. In accordance with the Council's Code of Conduct, any member in doubt should seek advice from the Monitoring Officer before participating in discussions or votes on this matter to ensure transparency and maintain public confidence in the decision-making process.

7. Recommendations**1. Immediate Actions:**

- Issue formal notice to group confirming review process is underway
- Suspend further expansion of use pending Full Council resolution
- Request user data and grant expenditure details from the group

- Consider requirements as part of strategy document for proposed works and buildings usage

2. Short-Term:

- Conduct a cost-benefit review of continuing current support versus re-letting
- Investigate reasons for Limes Farm Hall non-use
- Assess feasibility of shared use or storage relocation
- Council to agree strategy which could include a combination of options set out above and set a review date (e.g., 6 months) to reassess sustainability

3. Policy Development:

- Develop formal policy on community not for profit use of Parish assets
- Include criteria for subsidised access, value-for-money assessment and Council approval processes

8. Conclusion

While the Community Hub delivers valuable community services, its informal and cost-intensive use poses risks to Council's financial stability and governance credibility. Council must balance community need with responsible asset management and fair use of public funds. A formalised, accountable and cost-conscious approach is essential to ensure best value for all Chigwell residents.