

Cheltenham Borough Council

Cabinet

Request for rent subsidy from 10th Cheltenham All Saints Scout Group

Accountable member	Cabinet Member for Finance, Councillor John Rawson
Accountable officer	David Roberts (Head of Property and Asset Management)
Ward(s) affected	Pittville
Key Decision	No
Executive summary	<p>The Council have been asked by 10th Cheltenham All Saints Scout Group to consider a rent subsidy for the premise known as Pittville Scouts Hut, Central Cross Drive, Cheltenham.</p> <p>The Scouts group satisfies three of the Council's Key Objectives and that, as a result, a rent subsidy is proposed.</p>
Recommendations	It is recommended that Cabinet agrees to accept the recommendation of the 3 rd Sector Panel and authorise the Director of Resources to administer a rent reduction of 80% against the lease between Cheltenham Borough Council and 10th Cheltenham All Saints Scouts Group.

Financial implications	<p>Under the current rent arrangements 10th Cheltenham All Saints Scout Group pay £300 per annum. The market rent of £630 will be offset by a rent subsidy of 80% equating to £504. The council will receive future rents of £126 per annum, a decrease of £174 per annum.</p> <p>Contact officer: Nina Philippidis, nina.philippidis@@cheltenham.gov.uk, 01242 264121</p>
Legal implications	<p>None arising directly from this report</p> <p>Contact officer: Rose Gemell, rose.gemmell@tewkesbury.gov.uk, 01684 272014</p>
HR implications (including learning and organisational development)	<p>N/A</p> <p>Contact officer: , @cheltenham.gov.uk, 01242</p>
Key risks	Should the Scouts Group not take a new lease of the premises; they may stand vacant for a number of months, and the Council would then be responsible for the maintenance, insurance and business rates.

Corporate and community plan Implications	<p>By agreeing this application 10th Cheltenham All Saints Scouts Group will contribute to supporting the Council Priorities of:</p> <ul style="list-style-type: none"> • Enhancing & protecting our environment • Strengthening our communities • Focussing on Children and young people
Environmental and climate change implications	<p>Nothing in this proposal is considered to impact negatively upon the Council's environmental and climate change aspirations</p>
Property/Asset Implications	<p>As set out in this report</p> <p>Contact officer: David Roberts@cheltenham.gov.uk</p>

1. Background

- 2.1 10th Cheltenham All Saints Scouts Group (hereafter referred to as the Scouts) is a registered charity they would like to renew their lease which expired in 1997. They would like a renewal for a term of 5 years.
- 2.2 The rent they are currently paying is £300 per annum. The market rent is now £630 per annum.
- 2.3 The Scouts have made an application under the Council's 3rd Sector Policy; a copy of the application is attached as Appendix II.
- 2.4 A meeting of the 3rd Sector Policy board considered the application from Scouts Group for rent relief and concluded that a relief of 60% in addition to a subsidy of 20% applicable to charitable institutions renting Council-owned premises was appropriate. A copy of the panel's decision is attached as Appendix III.

2. Reasons for recommendations

- 2.1 The 3rd Sector Policy Board considered the application from 10th Cheltenham All Saints Scouts Group and concluded that the following subsidies could be applied:
 - 20% subsidy in respect of the Scouts contribution to the Council's Objective 1 Enhancing and protecting our environment'
 - 20% subsidy in respect for the Scouts contribution to the Council's Objective 3 ' Strengthening Our Communities'
 - 20% subsidy in respect of the Scouts contribution to the Council's Objective 5 ' A Focus on Children and Young People'
- 2.2 20% subsidy reflecting the Scouts is a registered charity
- 2.3 It is proposed that the Scouts shall occupy the property upon a full repairing basis and be responsible for the payment of all utility and rates bills as well as insuring the property.
- 2.4 The full Market Rent of the property has been ascertained to be £630 per annum and a term of five years has been agreed as appropriate with the rental subsidy the rent that the Scouts will be paying is £126 per annum.

3. Alternative options considered

- 3.1 The Council could decide not to offer the Scouts a rent subsidy, this would result in the strong possibility that the Scouts would no longer be able to provide a scouts group within that area

4. Consultation and feedback

- 4.1 Asset Management Working Group supports the request for a rent subsidy
- 4.2 Cllr John Rawson supports the rent request subsidy

5. Performance management –monitoring and review

5.1 We will monitor the rent payment.

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Appendices	<ol style="list-style-type: none">1. Risk Assessment2. Submission by 10th All Saints Cheltenham Scouts Group3. Decision of 3rd Sector Assessment Panel.
Background information	N/A

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If the tenant cannot sustain 20% rent payments this could jeopardise their continued operation of the building and this could result in the loss of a community service, empty rates and adverse publicity	Rebecca Conway	19 th June 2014	2	2	4	Accept	Monitor and refer to Cabinet should such circumstances arrive	19 th June 2014	Rebecca Conway	