

Cheltenham Borough Council
Cabinet
3rd Sector Application for Retail Premises at
12 Rowanfield Exchange

Accountable member	Cabinet Member for Finance, Councillor John Rawson
Accountable officer	David Roberts (Head of Property and Asset Management)
Ward(s) affected	St Marks
Key Decision	No
Executive summary	➤ The Council received a request from Hesters Way Neighbourhood Project that consideration be given to agreeing a rent subsidy for its Community Hub project at 12 Rowanfield Exchange. The project satisfies two of the Council's Key Objectives and that, as a result, a rent subsidy is proposed.
Recommendations	1. It is recommended that Cabinet agrees to accept the recommendation of the 3rd Sector Panel and authorise the Director of Resources to administer a rent reduction of 60% against the rent of £4,000pa associated with the lease dated 1st August 2010 between Hesters Way Neighbourhood Project and Cheltenham Borough Council

Financial implications	The subsidy results in rental income of £2,400 being foregone by the Council. This income has previously been received and therefore will have to be mitigated by other rental sources so that income budget targets are met. Contact officer: Nina Philippidis, Accountant nina.philippidis@cheltenham.gov.uk, 01242 775221
Legal implications	None at the present time Contact officer: Rose Gemmell, Rose.gemmell@tewkesbury.gov.uk, 01684 272014
Key risks	None
Corporate and community plan Implications	None
Environmental and climate change implications	

1. Background

- 2.1 Hesters Way Neighbourhood Project is a registered charity (hereinafter referred to as HWNP) which entered into a lease with the Council for a term of 5 years from 2010 at a rent of £4,000 pa for shop premises known as 12 Rowanfield Exchange, a location plan is attached to this report at Appendix 4.
- 2.2 HWNP provides a 'community hub' which offers a venue to hold local neighbourhood meetings, councillor surgeries, coffee mornings, meetings for tenants and residents, arts and crafts classes to involve Cheltenham Festivals and Cheltenham Art Gallery and Museum, IT training sessions to help counter the growing digital divide, mini awareness campaigns, that will all help to build up community spirit and neighbourliness, increase volunteering and promote back to work schemes.
- 2.3 HWNP has experienced difficulty in raising funds to continue operating and, as a result, has had to reduce its hours of operation accordingly.
- 2.4 In an attempt to keep the community hub operating, HMNP made an application under the Council's 3rd Sector Policy, a copy of the application is attached as Appendix II.
- 2.5 A meeting of the 3rd Sector Policy board considered the application from HWNP for rent relief at 12 Rowanfield Exchange and concluded that a relief of 40% 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 HWNP and concluded that the following subsidies could be applied:
 - 20% subsidy in respect of HWNP contribution to the Council's Objective 3 'Strengthening Our Communities'
 - 20% subsidy in respect of HWNP contribution to the Council's Objective 5 'A Focus on Children and Young People'
 - 20% subsidy reflecting HWNP is a registered charity.

3. Alternative options considered

- 3.1 Cabinet could consider turning down the application made by HWNP but this would almost certainly result in either further scaling back, or closure, of the operation at 12 Rowanfield Exchange, leaving a shop premises vacant in a neighbourhood parade and the loss of a community facility.

4. Consultation and feedback

- 4.1 Ward members have been consulted and no adverse comments have been received.

5. Performance management –monitoring and review

- 5.1

Report author	Contact officer: chris.finch@cheltenham.gov.uk, 01242 775148
Appendices	<ol style="list-style-type: none">1. Risk Assessment2. Submission by Hesters Way Neighbourhood Project3. Decision of 3rd Sector Assessment Panel.4. Location Plan
Background information	<ol style="list-style-type: none">1. None

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
1	If the application is supported then the Council will see a reduction in it's rent line to £1,600 pa.	DLR	27 TH Nov 2012	5	6	30	Accept	Report to Cabinet	End of Dec 2012	CF	
2	If the application for subsidy is not supported then the Hesters Way Neighbourhood Project is likely to cease to operate from the premises resulting in the loss of a community support facility and a follow-on risk to the Council's reputation	DLR	27 TH Nov 2012	5	6	30	Accept	Report to Cabinet	End of Dec 2012	CF	