

Bath & North East Somerset Council

DECISION MAKERS:	Cllr Mark Elliott, Cabinet Member for Resources Cllr Paul Roper, Cabinet Member for Economic and Cultural Sustainable Development	
DECISION DATE:	On or after 10th February 2024	EXECUTIVE FORWARD PLAN REFERENCE: E3455
TITLE:	44AD Art Charity – Extension of lease at below market value	
WARD:	Kingsmead	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Appendix 1A: 44AD– Supporting Statement and Impact Assessment Appendix 1B: Impact of 44AD Activities Table Appendix 2A: Community Asset Transfer – 44AD EOI Appendix 2B: Community Asset Transfer –Full Application and Assessment Appendix 2C: 44AD Income and Expenditure Forecast		

1 THE ISSUE

To consider the extension of a rent abatement for 4 Abbey Street Bath for 44AD (a Bath based community focused registered charity) by a further term of 3 years, at less than best consideration on the basis of supporting a thriving creative arts charity facilitating them to remain in their current premises in Bath city centre.

2 RECOMMENDATION

The Cabinet Members are asked to;

2.1 Proposal 1

To delegate approval to the Head of Corporate Estate in consultation with the Section 151 Officer and the Cabinet Member for Resources, to progress an extension to the period of abated rent for 4 Abbey Street to 44AD for three years from the date of a decision and delegate the approval of heads of terms for the lease, at less than open market value to regeneration purposes. This is on the basis that the benefit of the charitable arts use of the space outweighs the need to achieve best consideration in this case.

3 THE REPORT

- 3.1 In March 2015, Cabinet (E2645) agreed to lease 4 Abbey Street Bath to 44AD a Bath based community focused registered charity with an initial period of rent abatement, which it was noted would be subject to extension at the discretion of the Council. This report now seeks to extend this rent abatement by a further three years.
- 3.2 44AD is a successful and award-winning art space, run by a community focused charity, offering training, exhibition space, artist workspace and community arts facilities in Bath city centre. There is an ongoing market failure in the provision of affordable art space and the significant role of this venue in the creative economy of the city offering exhibition space and opportunities for students from arts courses at both Bath Spa University, City of Bath College and for other Bath based artists is noted. Due to the high market rental costs in Bath, and the impact of COV-19 and a period of enforced closure, charity 44AD requires an extension of their rent abatement to continue to occupy a space in the city centre. The art space adds to the diversity and richness of the arts and cultural offer within Bath & North East Somerset.
- 3.3 44AD is a thriving creative arts charity, and facilitating their continued occupancy of a council owned building would retain their operations which have significant social and cultural value, keeping this in the city centre. Location security would also make the charity financially resilient, as it will enable them to access arts grant funding.
- 3.4 The provision of art and design and artist workshop space within the city centre is a key part of the vision for Bath, and in particular the vision for the nearby Milsom Quarter as a fashion, art and design destination. Retaining established uses such as 44AD is key to achieving this vision for the city centre.
- 3.5 **Appendix 1A** and B outlines the social and cultural impact of 44AD in recent years. Some of the key cultural and social impacts of the 44AD include:
- (1) 21,000 Visitors per annum;
 - (2) In 2022, they presented 400 exhibiting artists and 40+ associate artists work. The studio provides a support network for artists that does not exist outside of an educational setting in the city;
 - (3) The space includes provision of both affordable low-cost exhibition and workspace for local artists. 44AD offers training and support for local artists and graduates hosting a number of student placements in curation and art from both local colleges and universities;
 - (4) The work of the charity includes collaborations with local schools across B&NES, colleges and Universities and other organisations such as local hospitals and museums (such as the Museum of Bath at Work). In 2022, there were 4 exhibitions held which showcased art by local young people;
 - (5) 44AD also undertakes outreach work including their 'Outreach 44' programme which is focused on art for young people with additional needs;

- (6) 44AD collaborates with local charities and not for profit organisations regularly with recent collaborations including Bath Mind, Bath Welcomes Refugees, Creative Bath and Dorothy House providing creative outlets for local people;
- (7) 44AD has won awards for their work, and is acknowledged by Bath Spa University as 'a vital and critical venue for contemporary art in Bath',
- (8) Value to the city economy of £950k in terms of impact contribution per annum (B&NES Arts Development team, 2015 social value calculation, referenced in Cabinet Report E2645);

It is proposed from FY 24/25 that a Memorandum of Understanding (MOU) is put in place between the Council and 44AD to provide an annual statement of impact that ties into the Council's vision and values – these already link very closely to the charitable aims of 44AD set out in **Appendix 1**.

4 STATUTORY CONSIDERATIONS

- 4.1 In line with the Community Asset Transfer policy this proposal has been considered by the Council's Property Board in November 2023 and was recommended for approval via a Single Member Decision.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 5.1 The proposal is to abate the rent during a term of 3 years. The market rental value of the building is assessed at £40,000 pa.
- 5.2 If the lease is extended on the terms proposed, the Council will retain the obligation to repair the exterior of the property.
- 5.3 Draft Heads of Terms will show the rent is not based on market value but instead it will be £10,000 pa.
- 5.4 Within the Commercial Estate budget the above level of rent will be factored into revenue income forecasts for the next 3 years.

6 RISK MANAGEMENT

- 6.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

7 EQUALITIES

- 7.1 Retaining 44AD provides diversity to the arts and cultural offer in B&NES and will attract a more diverse audience to the city. Many of the artists who exhibit in this space or undertake training or artistic production on the premises are priced out of commercial gallery spaces, including students in training and education in local schools, colleges and universities; artists on lower incomes and people with additional needs.

8 CLIMATE CHANGE

8.1 This is a sustainable location for an art space which is highly accessible for artists and visitors by sustainable travel options. Exhibitions include art work on environmental themes.

9 OTHER OPTIONS CONSIDERED

9.1 The Council could consider raising the rent to market value but this would force the art space to close.

9.2 The Council could consider shorter term tenancy options including a 'tenancy at will', however, this provides the charity no certainty of tenure which will in turn make it very difficult for them to secure funding and book exhibitions to enable them to continue to run.

9.3 The Council could consider offering an alternative premises, however, there is no obvious alternative, in advance of the Milsom Quarter developments. 44AD has also invested in this space to make it fit for purpose on the basis of the long-term lease that was approved in principle by the Council in 2015 for their current location.

9.4 There would be a reputational risk of not supporting an independent and well-loved charity and art space to remain in the city centre, which runs counter to the Council's objectives to supporting the creative arts sector as a future growth area in the economy and part of the city's cultural offer for visitors and residents.

10 CONSULTATION

10.1 Cabinet Members; Section 151 Finance Officer; Monitoring Officer.

10.2 The report has been provided to the above parties and their responses have been incorporated into the body of the report.

Contact person	Sophie Broadfield – Executive Director Sustainable Communities Cleo Newcombe-Jones – Regeneration Manager Helen Griffiths – Senior Development Officer
Background papers	2015 Cabinet Report which previously approve 44AD Rent Abatement for 4 Abbey Street https://democracy.bathnes.gov.uk/documents/s34875/E2645%20CAT%204%20Abbey%20St.pdf Community Asset Transfer Policy (March 2020) https://www.bathnes.gov.uk/services/neighbourhoods-and-community-safety/community-asset-transfers
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