

Single Member Cabinet Decision

<b>Executive Forward Plan Reference</b>	<b>E3345</b>
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**44AD Art Charity – Extension of lease at below market value**

<b>Decision maker/s</b>	Cllr Mark Elliot, Cabinet Member for Resources Cllr Paul Roper, Cabinet Member for Economic and Social Cultural Development
<b>The Issue</b>	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.
<b>Decision Date</b>	19th February 2024
<b>The decision</b>	The Cabinet Member agrees 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.
<b>Rationale for decision</b>	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.  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.
<b>Financial and budget implications</b>	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. Draft Heads of Terms will show the rent is not based on market value but instead it will be £10,000 pa.  Within the Commercial Estate budget the above level of rent will be factored into revenue income forecasts for the next 3 years  The value city economy is £950k in terms of impact contribution per annum (B&NES Arts Development team, 2015 social value calculation).
<b>Issues considered</b>	Social Inclusion; Property; Young People; Other Legal Considerations

<b>Consultation undertaken</b>	Ward Councillor; Cabinet colleagues; Other B&NES Services; Service Users; Stakeholders/Partners; Other Public Sector Bodies; Section 151 Finance Officer; Monitoring Officer
<b>How consultation was carried out</b>	44AD have prepared a statement of activity which accompanies the report and the issue has been consulted on via Property Board.
<b>Other options considered</b>	<p>The Council could consider raising the rent to market value but this would force the art space to close.</p> <p>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.</p> <p>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.</p> <p>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.</p>
<b>Declaration of interest by Cabinet Member(s) for decision:</b>	N/A
<b>Any conflict of interest declared by anyone who is consulted by a Member taking the decision:</b>	N/A

<b>Name and Signature of Decision Maker/s</b>	Cllr Mark Elliott Cabinet Member for Resources  Cllr Paul Roper Cabinet Member for Economic and Social Cultural Development
<b>Date of Signature</b>	19 <sup>th</sup> February 2024
<b>Subject to Call-in until 5 Working days have elapsed following publication of the decision</b>	