

TEWKESBURY BOROUGH COUNCIL

Report to:	Executive Committee
Date of Meeting:	12 October 2016
Subject:	Community Grant – Queens Road, Tewkesbury
Report of:	Rachel North, Deputy Chief Executive
Corporate Lead:	Rachel North, Deputy Chief Executive
Lead Member:	Councillor D J Waters
Number of Appendices:	None

Executive Summary:

In June 2016, Executive Committee determined that Severn Vale Housing Society (SVHS) should be asked to repay the totality of the community grant previously awarded to the Prior's Park Neighbourhood Project (PPNP) in 2010 for conversion work at 101-105 Queens Road, Tewkesbury, which was placed as a charge on the property.

During discussions with SVHS following this decision, a proposal has been received by the Borough Council from SVHS, to resolve the outstanding position. The proposal is detailed within this report for Members' consideration.

Recommendation:

The Executive Committee RESOLVES:

- 1. To release the charge over Title Number GR342856 referred to in the Report provided that Severn Vale Housing Society Ltd first enters into a formal covenant with Tewkesbury Borough Council to pay to the Council the sum of £73,646.69 in equal annual instalments over a period of seven years from the date of the Deed; and**
- 2. That delegated authority be given to the Head of Finance and Asset Management to settle the further terms of the Deed and to the Borough Solicitor to prepare such documents as she considers appropriate to reflect the terms agreed.**

Reasons for Recommendation:

Any change to the standard repayment procedure for community grants needs Executive Committee approval.

Resource Implications:

Any monies recouped from SVHS, except for the those ring-fenced as per the report for Prior's Park, would be a windfall receipt and be added back into the Community Grants fund for further allocation to community projects.

Legal Implications:

At present, the existence of the charge on the title sterilises the property against future transactions, and therefore limits its use. By entering into appropriate documents with the freeholder, the Council retains the ability to recoup the sums whilst allowing the property to be released into use.

The documents entered into between the Council and SVHS can deal with such matters as the timing of the payments and any other terms agreed. In the event that SVHS defaults under the agreement, the Council could take court action to secure recovery of the money outstanding at that time.

The alternative would be to seek to enforce the charge against PPNP, but under the circumstances a covenant by SVHS to pay the moneys over a period of time could be seen to be a preferable option

Risk Management Implications:

SVHS are a key strategic partner to the Borough Council and play an important role in the achievement of the Council's Housing Strategy. The proposal made achieves the original intention of the community grant award and maintains a positive relationship with this important partner.

Performance Management Follow-up:

See recommendation 2.

Environmental Implications:

None.

1.0 INTRODUCTION

- 1.1** In June 2016 Executive Committee determined that SVHS should be asked to repay the totality of the community grant, previously awarded to the PPNP in 2010 for conversion work at 101-105 Queens Road, Tewkesbury, which was placed as a charge on the property. This was as a result of PPNP being required to vacate the property in 2015.
- 1.2** During discussions with SVHS following this decision, a proposal has been received by the Borough Council from SVHS to resolve the outstanding position.

2.0 BACKGROUND

- 2.1** In April 2016, a local community run organisation, PPNP, was successful in being awarded £73,646.69 from the Borough Council to convert 101-105 Queens Road Tewkesbury into a community centre within which to deliver a range of community facilities.
- 2.2** The property was leased at no cost to PPNP by SVHS, the landlord of the property and as such, the capital grant was placed as a charge against the leasehold title of this address to safeguard the Borough Council's financial interest into the future.
- 2.3** Given the fundamental changes in the financial climate around public services since 2010, SVHS has been forced to rationalise its assets and to thus terminate the lease to PPNP at the end of 2015. This was done with the involvement of the PPNP and these activities were retained for the local community and are now delivered from PPNP's own offices within the Prior's Park neighbourhood.

2.4 SVHS has identified new leaseholders who are keen to rent the property in Queens Road and pay full rent to further support the financial viability of the Housing Society in its service to tenants. However, this cannot be confirmed until the Borough Council releases the charge which has been placed on the lease. SVHS recognises the legitimacy of its obligation to repay the grant to the Borough Council and is prepared to honour this legal requirement.

3.0 PROPOSAL

3.1 SVHS accept the liability for the outstanding amount of £73,646.69 to the Borough Council and also commit to support the community work carried out by PPNP in this local neighbourhood.

3.2 As such, SVHS have offered to repay the outstanding amount in the form of a £10,520 annual grant to PPNP for seven years, to aid the community development capacity of this neighbourhood project.

3.3 The first annual grant would be made within the 2016/17 financial year as soon as the charge is lifted from the property and continued each year subsequently.

3.4 This 'community grant' would be paid direct to the Borough Council for onward transmission to the community project and within this time should PPNP cease to exist, the monies would remain ringfenced for community support within the Prior's Park neighbourhood.

3.5 Any remaining balance would be paid direct to the Borough Council to replenish the Community Grants pot for general support throughout the Borough.

3.6 SVHS would also offer an Officer to sit on PPNP's Board to further support this community organisation in its sustainability and future planning.

4.0 CONSIDERATIONS

4.1 The original grant award was made to achieve key outcomes, at a reasonable, or no cost, as follows:-

1. Community and family based information facilities which are available to a wide cross-section of the community.
2. Accommodation for training programmes for 16-25 year olds, skills for work courses for disadvantaged groups.
3. Facilities for meetings of a Residents' Panel.
4. Facilities for children's clubs and groups.

These outcomes remain relevant and are being successfully continued from alternative premises within the Prior's Park Neighbourhood.

4.2 However, the future sustainability of the Neighbourhood Project is in question, as core funding to support adequate capacity is proving difficult to source, despite help from the Borough Council's Funding Officer.

4.3 The current Board is keen to develop the range of its activities and work even more closely with a range of public service partners, including the Children's Centre and local primary school, to enhance the community capacity within this area.

4.4 The offer of core annual funding from SVHS by redirecting the original grant award will be significantly supportive of this overarching objective.

4.5 Local Ward Members are working to support the development of the PPNP and carrying out some highly beneficial project work, to enhance access to employment and skills opportunities, along with support to young people in this community. They have been consulted on the proposal received from SVHS and are in support of its acceptance.

5.0 CONCLUSION

5.1 The original grant award was agreed in order to support community development activity within the Prior's Park neighbourhood in Tewkesbury. Despite changes to the property from which these activities were delivered, these objectives remain important and the offer from SVHS to repay the outstanding balance in this manner, to PPNP as an annual revenue grant, enables this important community group to plan for its future sustainability and to continue to deliver essential local support to this challenged community.

5.2 The Council thus achieves its original intention from the grant award and SVHS is able to agree a new lease for this property, thus reducing an empty unit in a key location.

6.0 OTHER OPTIONS CONSIDERED

6.1 None.

7.0 CONSULTATION

7.1 Local Ward Members have been consulted on the proposal and are in support of the recommendation.

8.0 RELEVANT COUNCIL POLICIES/STRATEGIES

8.1 None.

9.0 RELEVANT GOVERNMENT POLICIES

9.1 None.

10.0 RESOURCE IMPLICATIONS (Human/Property)

10.1 None.

11.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)

11.1 None.

12.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)

12.1 None.

13.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

13.1 None.

Background Papers: None.

Contact Officer: Rachel North, Deputy Chief Executive. Tel 01684 272051
Email rachel.north@tewkesbury.gov.uk

Appendices: None.