

# Gloucester City Council

<b>Meeting:</b>	<b>Cabinet</b>	<b>Date:</b>	<b>8 March 2023</b>
<b>Subject:</b>	<b>`Gloucester Feed the Hungry' Lease Agreement - To Approve The Drafting of a Lease to Occupy 24 The Oxbode</b>		
<b>Report Of:</b>	<b>Cabinet Member for Policy and Resources, and Cabinet Member for Communities and Neighbourhoods</b>		
<b>Wards Affected:</b>	<b>Westgate</b>		
<b>Key Decision:</b>	<b>No</b>	<b>Budget/Policy Framework:</b>	<b>No</b>
<b>Contact Officer:</b>	<b>Jayne Wilsdon Investment Manager</b>		
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<b>Appendices:</b>	<b>1. Heads of Terms (Exempt, Paragraph 3)</b>		

## REPORT FOR GENERAL RELEASE

### EXEMPTIONS

The public are likely to be excluded from the meeting during any detailed consideration of Appendix 1 as it contains exempt information as defined in paragraph (3) of schedule 12A to the Local Government Act 1972 (as amended).

### 1.0 Purpose of Report

- 1.1 To secure approval from cabinet to enter into a one year lease in line with the heads of terms in appendix 1 for Gloucester Feed the Hungry CIC (community interest company) to continue their work in the local community as a community coffee shop, food bank and donation centre for the homeless and vulnerable within the City.

### 2.0 Recommendations

- 2.1 Cabinet is asked to **RESOLVE** that:

- (1) delegated authority be granted for the Investment Manager, in consultation with the Deputy Leader and Cabinet Member for Communities and Neighbourhoods to complete a one year lease for 24 The Oxbode for Gloucester Feed the Hungry CIC
- (2) it be noted that the lease will have mutual provisions for breaking the lease giving not less than 3 months notice on either side.

### **3.0 Background and Key Issues**

- 3.1 Gloucester Feed the Hungry have recently gained Community Interest Company (CIC) status enabling them to start expanding their provision of offering a valuable service to some of the most vulnerable members of our City. As such they require suitable premises to operate from to enable them to grow and become self sufficient as a CIC.
- 3.2 This report seeks to gain approval for the lease of the above premises to enable them to continue to operate and build on the provision of their community coffee shop, foodbank, hot food programme and donation centre for other community causes.

### **4.0 Social Value Considerations**

- 4.1 The operation of this CIC is entirely focused on operating as a not for profit organisation providing an essential and much needed service for the community. By agreeing this lease the work can continue to offer their service together with a warm space for those that need it through the next 12 months.

### **5.0 Environmental Implications**

- 5.1 The lease will have due regard to environmental factors and an EPC recently carried out highlighted that the building meets not only the current but new legislative requirements for energy efficiency.

### **6.0 Alternative Options Considered**

- 6.1 Alternative locations within the City have been considered including the possibility of sharing premises with another organisation. There are no other facilities that meet the criteria of the CIC whilst it's still establishing itself and there are no other organisations that have the required space for their own operations as well as another. Our community wellbeing and property teams will continue to work with Gloucester Feed the Hungry throughout the proposed tenancy to ensure that every avenue is continually evaluated.

### **7.0 Reasons for Recommendations**

- 7.1 The proposition is to support Gloucester Feed the Hungry CIC on social value grounds so that they can build on their vital work in the community. Granting them a lease on the agreed terms will enable them to investigate additional funding streams and work on their business plan to ensure that they are sustainable going forward. They will gain valuable insight into dealing with occupational matters such as negotiating utilities and will be able to work with us to identify future funding streams.

## **8.0 Future Work and Conclusions**

- 8.1 The Council will require a detailed business plan to ensure that the CIC operation will be sustainable going forward and we will need to instruct One Legal to complete the details of the lease together with the tenant's solicitor. Following lease completion the Council will then need to ensure compliance with the terms of that lease in the same way that the Council would for any tenant.

## **9.0 Financial Implications**

- 9.1 It is proposed that the lease is granted for a below market rent which will have financial implications for the Council for the period of the tenancy. However there will be no landlord costs such as utilities and void rates for the council during the period of occupation as the tenant will be liable for all of those occupational costs that the Council would have to pay. The proposed Heads of Terms are attached at Appendix 1 (EXEMPT)

(Financial Services have been consulted in the preparation of this report.)

## **10.0 Legal Implications**

- 10.1 One Legal have been consulted and detailed subsidy control checks will need to be undertaken before the lease can complete together with any other public notices that need to be addressed.
- 10.2 Consent for disposal at less than best consideration is legal where the property is to be used for purposes that contribute to the economic, social or environmental well-being of the area provided the difference between the consideration and market value does not exceed £2 million which this does not and applied to this lease.
- 10.3 A short term one year lease does not fall under the best value provisions of the s123 of the LGA 1972. Whilst leases for a term of less than 7 years do not have to be for the best consideration reasonably obtainable, the Council must still have regard to its general fiduciary duty

(One Legal have been consulted in the preparation of this report.)

## **11.0 Risk & Opportunity Management Implications**

- 11.1 The Council will need to continue to work with the tenant to ensure the CIC continues to be viable in order that full occupational costs can be met. A mechanism for breaking the lease will be included which will exist not only for the landlord but also to enable the tenant to re-evaluate their position should the need arise.

## **12.0 People Impact Assessment (PIA) and Safeguarding:**

- 12.1 At present there are no adverse impacts identified for any of the protected characteristic groups. Further assessments can be carried out with the tenant to ensure this continues throughout the period of occupation.

### **13.0 Community Safety Implications**

- 13.1 Community Safety elements are limited. The tenant has been advised on what safety provisions they must engage with which include but are not limited to maintenance of a fire alarm system, fire risk assessments and ensuring that any work undertaken is done so by obtaining the Council's permission and using suitably qualified trades people. A Food and Hygiene certificate has already been obtained.

**Background Documents:** None