

Summary of Stroud Town Council offer for the Subscription Rooms

Stroud Town Council value the Sub Rooms as an important cultural and community venue in the heart of our town. We wish to work in partnership with the community and Stroud District Council to develop a realistic and sustainable plan to secure the future of the venue for the long-term future. The following table lists the main elements of our offer and explains the rationale behind them.

OFFER	EXPLANATION
39-year lease based on a peppercorn rent for the duration of the lease with no rent reviews	The Sub Rooms currently operates at a significant loss. Even with significant investment in building improvements and a transformational business plan, it is unlikely to ever make enough money to pay more than a peppercorn rent. The charity would be expected to hold any surpluses in reserves to provide for future maintenance liabilities of for providing additional community services in accordance with its charitable aims.
Lease to include the forecourt	The forecourt is an integral part of the Subs. We are prepared to maintain and operate it to ensure that it available for community use and to enhance the operation of the building. The simplest way to achieve this is to include it in the lease.
A one-off grant of £230,000 from Stroud District Council to provide working capital in the first year of operation.	The new charity will be starting from scratch so will need a grant to get them off the ground. Stroud Town Council will be giving a grant of £50,000 and paying for the building insurances.
Stroud District Council to complete repairs identified in the structural survey completed in 2017.	Significant repairs are needed to bring the building up to a good condition. The business plan will not support funding these works on top of taking on a loss making operation.
We will work with Stroud District Council to establish a new charitable organisation to operate the Sub Rooms. A sub-lease will be issued to the charity.	We feel that there are significant benefits to be gained by establishing a charity to operate the Sub Rooms, just like the Cheltenham Trust who were set up to operate cultural, leisure and sporting venues for Cheltenham Borough Council. There is potential for the new trust to expand its operation to take on other facilities in the district and to support the implementation of both Stroud District and Stroud Town's emerging arts and cultural strategies.
Stroud District Council to provide a photographic schedule of condition on handover.	This is a normal requirement for a full repairing lease and provides clarity for both parties.

<p>A transition plan to be agreed with Stroud District Council to cover the period up to handover in April 2019, to include consultation with staff and full disclosure of TUPE information immediately after decision to accept offer.</p>	<p>It's really important that the new operators are given time to get properly established and for staff consultations to be completed in the proper fashion.</p> <p>ACAS set out the proper procedures for the transfer of staff – we will work with SDC officers to ensure that the staff are properly consulted.</p>
<p>Stroud District Council to deal with any settlements to staff not transferring to the new organisation.</p>	<p>We anticipate that some staff will not transfer over, for example those on temporary or casual contracts. We will expect SDC to deal with any contractual or financial issues arising from this.</p>
<p>Bid subject to usual legal requirements regarding searches plus compliance with the Localism Act requirements regarding assets of community value and further enquiries regarding rights of access to the rear.</p>	<p>This is part of the due diligence process.</p>
<p>Removal of clauses 28.2 and 35 from the draft lease (relating to community forum).</p>	<p>It is our full intention to ensure that the Sub Rooms are made available for the purposes of the Permitted Use (as “a venue for the provision and promotion of cultural, artistic, educational and community activities including live and other public entertainments together with such ancillary and incidental uses as may facilitate that primary use”) and for the benefit of the town.</p> <p>We would however require that these clauses are removed from the lease on the basis that they adversely affect the commerciality of the venture. As charity the new operators will already have a duty to engage and involve the community so there is no need to include this in the lease.</p>
<p>Provisions regarding restrictive covenants.</p>	<p>There is a covenant which would make a lease illegal without consent. We are asking for an indemnity in the unlikely event that this was challenged.</p>
<p>Capital works to be funded from grants and other fundraising.</p>	<p>We have identified lots of potential sources of grant funding for building improvements and anticipate a positive response to our community fundraising appeal for this.</p>
<p>Tourist information service to be relocated out of the building.</p>	<p>We have already offered to work in partnership with SDC to explore the potential for this service to be provided elsewhere in the town.</p>