



City of Westminster

Cabinet Member Report

Meeting or Decision Maker:	Cabinet Member for Adult Social Care, Public Health and Voluntary Sector
Date:	30 April 2024
Classification:	Part Exempt The accompanying part B report is exempt from disclosure by virtue of the following Paragraphs of schedule 12A to the Local Government Act 1972: Paragraph Five: Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
Title:	New core funding grant agreement for the Stowe Centre
Wards Affected:	Harrow Road, Westbourne, Queen's Park
Policy Context:	Fairer Communities
Key Decision:	Yes
Financial Summary:	£248,000 per annum grant award to the Stowe Centre under a 10-year grant agreement (£2.48 million total over 10 years)
Report of:	Frances Martin, Executive Director for Environment, Climate and Public Protection

1. Executive Summary

- 1.1 The purpose of this report is to seek Cabinet Member approval for awarding a 10-year grant to Paddington Development Trust (PDT) for the running of the Stowe Centre. PDT does not currently receive core funding from the council to run the Stowe Centre. They currently have a long-term lease agreement under nil-rent with the council, and this lease agreement will be reviewed to reflect and align with the length and objectives of the proposed core funding arrangement. The Stowe Centre operates as a community anchor organisation, providing space and services for local residents and voluntary groups in Westminster, particularly those in the north of Westminster where the centre is located.
- 1.2 The Key Decision Report published on 30 October 2023 stated the council's future intentions to develop core funding arrangements with community anchor organisations in the north and the south of the borough. Issuing a long-term grant award will support the Stowe Centre to serve communities in the best conditions while recognising it formally as a core strategic VCS partner. It will also create equity with arrangements in place for the Abbey Centre in the south of the borough.

2. Recommendations

- 2.1 That the Cabinet Member for Adult Social Care, Public Health and Voluntary Sector approves the award of a grant to Paddington Development Trust (a charitable company limited by guarantee with company number 03652559) for a term of 10 years and a total value of £2.48 million to assist PDT to run and maintain the Stowe Centre.

3. Reasons for Decision

- 3.1 Implementing a strategic grant arrangement with the Stowe Centre is in line with Westminster's commitment to supporting community anchor organisations. This particular arrangement will bring parity to the council's approach to funding strategic VCS partners in the north and south of the borough. It will support the Stowe Centre to be run to the best standard and to continue acting as a community centre for local groups and organisations.

4. Background, including Policy Context

Paddington Development Trust and the Stowe Centre

- 4.1 The overarching purpose of PDT is to bring people together and support them to take charge of their own individual and shared futures. Its charitable objectives are the promotion for the public benefit of urban regeneration in areas of social and economic deprivation (and in particular within the west and inner London Boroughs and the City of Westminster). One of the ways in which it seeks to achieve its charitable objectives is the creation of business

or training opportunities by the provision of workspace, buildings and/or land for use on favourable terms.

- 4.2 The Stowe Centre hosts a wide array of community and resident events, such as health and fitness, meetings, and conferences. The Stowe Centre is used for VCS organisations and community groups to run activities and services including PDT Employment and Training services and Westminster Citizens Advice service. All activities run by voluntary and community organisations in the centre are provided free of charge. The Stowe Centre can also be used for local residents to book as event space, and for local VCS organisations to hire for office space at a rate significantly below market rate.

Council Policy to support VCS and Community Anchor Organisations

- 4.3 The council is committed to supporting community anchor organisations and the wider VCS in the borough. This is an important part of achieving its Fairer Westminster objectives. There are two community centres in the borough that act as important hubs to community groups, VCS organisations and residents, and are considered by the council to be community anchor organisations. These are the Stowe Centre and the Abbey Centre. Both are based in WCC owned buildings. As of October 2023, the Abbey Centre pays £112k of annual rent to the council and receives £170k as an annual grant covering rent plus running costs. PDT currently pays £0 in rent to the council for the Stowe Centre and does not receive a grant. Under the new arrangement with Stowe Centre, rent would be charged at £180k and an annual grant issued at £248k per year, covering rent plus maintenance costs.
- 4.4 The council would like to move towards a consistent approach to both by doing the following:
- Issue the same style lease arrangements to both centres so that they will both pay rent respectively, in line with the VCS rental policy.
 - Issue parallel core grant agreements so that Stowe Centre is in parity with the Abbey Centre.
 - Make both of these agreements 10-year commitments.
- 4.5 Issuing a core grant to PDT to explicitly run and maintain the Stowe Centre also has the benefit of allowing the council to formally enter a strategic partnership with the Stowe Centre like it has with the Abbey Centre. The Stowe Centre will report on agreed KPIs quarterly, in line with the treatment of other VCS grant agreements of this size and nature. Monitoring will track outputs and impact in the following key deliverable areas of the Stowe Centre:
- Community space - Physical space for VCS organisations and community groups to run activities and services)
 - Residents access to event – Accessible space available to diverse communities across Westminster who want to hire space in the centre for community or family events.
 - Organisational space - Affordable office space offered to local VCS organisations.

5. Financial Implications

- 5.1 The 10 year grant to be awarded to PDT is for £0.248m per annum for 10 years. Currently PDT do not pay any rent on the property at Harrow Road. This grant will enable the payment of full market rent of £0.180m which will be reflected in the Corporate Property budgets, as well as an additional amount of £0.068m which will cover service charge and maintenance responsibilities for the property. The grant will be funded from the Communities budget, which is largely offset by the rental income, with a net cost to the Council of this support of £0.068m.
- 5.2 This agreement is separate to the lease arrangement for the rent of the premises, but the two agreements are being brought in line to run for 10 years.

6. Legal Implications

- 6.1 The report is seeking to award a £2.48m grant over a ten-year period to Paddington Trust (the “Grant”).
- 6.2 Section 1 of the Localism Act (the general power of competence) provides the necessary power for the Council to award the grant.
- 6.3 It is considered that there are grounds to conclude that the grant does not fall within the definition of a subsidy under the Subsidy Control Act 2022 (the “SCA”) which has replaced the previous state aid regime. Accordingly, the grant is not subject to the provisions of the SCA. Further legal implications are set out in the Part B.
- 6.4 It is recommended that the Council enters to a formal grant agreement with the recipient.

7. Carbon Impact

- 7.1 There is no carbon impact of this key decision. The council will work with the Stowe Centre to access any carbon-off set funding or advice for the building.

8. Equalities Implications

- 8.1 There are no equalities implications to note. The Stowe Centre will support people accessing the community services that are hosted at the centre and provide an open community space for all, particularly those living in the north of Westminster. Through quarterly monitoring, the council will monitor the equalities data on service users and support the organisation to expand the demographics of its board of trustees where needed.

9. Consultation

- 9.1 Consultation and discussion has taken place with Cabinet and senior officers in the lead up to this report. This approach is in line with the council's wider VCS Investment Strategy 2023-2028 that was developed through engagement with a range of local and national trusts and charities, as well as internal officer input.

If you have any queries about this Report or wish to inspect any of the Background Papers, please contact:

gpeattie@westminster.gov.uk

For completion by the **Cabinet Member for Adult Social Care, Public Health and Voluntary Sector**

Declaration of Interest

I have no interest to declare in respect of this report

Signed: _____ Date: 30 April 2024

NAME: **Councillor Nafsika Butler-Thalassis**

State nature of interest if any

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(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled **New core funding grant agreement for the Stowe Centre** and reject any alternative options which are referred to but not recommended.

Signed

Cabinet Member for Adult Social Care, Public Health and Voluntary Sector

Date ...30 April 2024.....

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:
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If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Director of Law, City Treasurer and, if there are resources implications, the Director of People Services (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.