



REPORT TO: CORPORATE COMMITTEE ON 30 AUGUST 2022

SUBJECT: RENTAL SUPPORT REVIEWS

BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)

1. REASON FOR REPORT

- 1.1 To invite the Committee to consider policy changes concerning the provision of rental support to voluntary and community organisations and actions in relation to the review of the rental support provided to Keith Golf Club.
- 1.2 This report is submitted to Committee in terms of Sections III (B)(30) and (32) of the Council's Scheme of Administration relating to the monitoring and review of concessionary rents and the consideration of Community Asset Transfer (CAT) requests, respectively.

2. RECOMMENDATION

2.1 The Committee is invited to:

- (i) agree that existing beneficiaries under the former Community Rental Grant Scheme who have their requests for a continuation of rental support refused following a review may re-apply at subsequent rent reviews;**
- (ii) agree that voluntary and community organisations who have an existing lease from the Council but who do not currently enjoy any form of rental support may, at the Council's discretion, apply for rental support whenever their rent falls to be reviewed; and,**
- (iii) authorise the Property Asset Manager to proceed with the next stage of the review process for Keith Golf Club as set out in paragraph 3.4 of this report.**

3. BACKGROUND

- 3.1 Rental support provided to voluntary and community organisations (VCOs) under the Council's former Community Rental Grant (CRG) Scheme ceases when the rent payable under the lease falls to be reviewed. On 3 September 2019, the Policy and Resources Committee agreed, as a policy exception, to consider requests for a continuation of rental support from affected organisations under the CAT Scheme (paragraph 13 of the Minute refers).
- 3.2 The agreed policy exception does not address the situation where existing support has ceased at a rent review and a request from a VCO for a continuation of support has been refused, and where, due to a change in circumstances, the Council may be willing to approve further rental support at a subsequent review. Therefore, it is considered helpful to have a clear decision confirming that existing beneficiaries under the former CRG Scheme can re-apply under the CAT Scheme at each rent review as would have been the case under the former scheme. Requests made in this way are considered on their own merits and at the Council's discretion, with a decision to approve a request being based on the VCO making a sound business case.
- 3.3 For the sake of consistency, it is considered reasonable to extend this facility to VCOs with an existing lease from the Council but who have not benefited from rental support under the CRG scheme to make a request for rental support at each rent review. This would help avoid the situation where an existing tenant feels compelled to make a request for a transfer of ownership because there is no facility to request rental support. This would be particularly relevant to leases involving inalienable common good assets. Agreeing to such a change would put existing tenants onto a similar footing as new applicants under the CAT Scheme.
- 3.4 On 14 June 2022, the Corporate Committee authorised the Property Asset Manager to initiate reviews of rental support provided under the CRG Scheme (paragraph 10 of the Minute refers). In accordance with that decision, officers have reviewed the financial position of Keith Golf Club and found it to be sound and sufficiently robust to support a rental payment. Consequently, officers consider it appropriate to implement the rent review provisions of the lease and invite the Club to submit a business case if it wishes to receive continued financial support. Any such application would be brought back to a future meeting of this committee for consideration.
- 3.5 Keith Golf Club occupies Keith golf course under a 99-year ground lease that commenced in September 2013 and which includes a provision for rent reviews every 5 years. The rental value assessed at the start of the lease amounted to £5,040 per annum. In accordance with the decision of the Policy and Resources Committee on 7 August 2018 not to identify any arrangements for review, the rent review due for the golf course was not implemented at that time (paragraph 13 of the Minute refers). The Club currently enjoys a 100% rent rebate awarded under the former CRG Scheme. This is a specialised property and will require considerable work to assess the current rental value accurately. However, due to the time since the rental value was last assessed, an element of rental growth should be expected. The next review is due in September 2023.

4. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

Each request for rental support is assessed on its own merits in relation to any relevant outcomes.

(b) Policy and Legal

Assets leased at less than market value must comply with the Disposal of Land by Local Authorities (Scotland) Regulations 2010, which require the Council to be satisfied that the proposal is reasonable and that the granting of the lease is likely to contribute to the promotion or improvement within Moray of one or more of the following purposes:

- a) Economic Development,
- b) Regeneration,
- c) Public Health,
- d) Social Wellbeing, or
- e) Environmental Wellbeing.

Reasonableness in this context is taken to imply that the requested rent rebate is the minimum necessary to ensure financial sustainability and that it is commensurate with the likely benefits of the proposal.

(c) Financial Implications

There are no financial implications arising directly from this report. The financial implications of any future applications for rental support will be addressed in the relevant reports to this committee.

(d) Risk Implications

There are no risk implications arising directly from this report.

(e) Staffing Implications

There are no staffing implications arising from this report.

(f) Property Implications

There are no property implications arising directly from this report.

(g) Equalities/Socio Economic Impact

There are no equalities or socio economic implications arising from this report.

(h) Climate Change and Biodiversity Impact

There are no climate change or biodiversity implications arising from this report.

(i) Consultations

The Depute Chief Executive (Economy, Environment and Finance), Chief Financial Officer, Property Asset Manager, Asset Manager (Commercial Buildings), Equal Opportunities Officer, and L. Robinson Committee Services Officer have been consulted and their comments incorporated in the report.

The Ward Members, Councillors Colyer, Coull, and Gatt, are aware of the proposal and may make their views known at Committee.

5. CONCLUSION

- 5.1 Clarification is considered necessary to confirm that existing beneficiaries under the former CRG Scheme can re-apply for financial support at subsequent rent reviews following a refusal of an application.**
- 5.2 For the sake of consistency and in the interests of providing a level playing field, it is considered appropriate to allow existing VCO tenants of Council property to apply, at the Council's discretion, for financial support at each rent review.**
- 5.3 It is considered reasonable to proceed to the next stage of the review process in respect of Keith Golf Club, which stage involves a review of the rent payable under its lease with the Club being provided with an opportunity to apply for continued financial support.**

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Background Papers: With author
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