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**REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL SUSTAINABILITY COMMITTEE ON 13 APRIL 2021**

**SUBJECT: COMMUNITY ASSET TRANSFER (RENTAL GRANT RENEWAL): OLD OGILVIE SCHOOL, KEITH**

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

## **1. REASON FOR REPORT**

- 1.1 This report invites the committee to consider an application under the Community Asset Transfer (CAT) scheme for the renewal of rental support.
- 1.2 This report is submitted to the Economic Growth, Housing and Environmental Sustainability Committee following a decision of Moray Council on 17 June 2020 to agree a simplified committee structure as a result of the COVID-19 pandemic. In the case of this committee the combining of the delegated responsibilities of Economic Development and Infrastructure, Community Services (Housing and Property) and Finance (budget, capital and revenue monitoring) (para 9 of the minute refers).

## **2. RECOMMENDATION**

### **2.1 The Committee is invited to:**

- (i) approve the application from the 2<sup>nd</sup> Keith Scout Group for the renewal of its 100% rental concession; and**
- (ii) agree to initiate a series of 5-yearly rent and rental concession reviews for this case in accordance with the arrangements in place for the review of similar rental support under the former Community Rental Grant scheme.**

## **3. BACKGROUND**

- 3.1 On 3 September 2019, the Policy and Resources Committee agreed that rental support provided to community groups under the former CRG scheme would cease with effect from their next rent review date and that requests for a continuation of that support would be considered through the CAT process (paragraph 13 of the Minute refers).
- 3.2 The 2<sup>nd</sup> Keith Scout Group has occupied the Old Ogilvie School, Fife Street, Keith since November 1981. The original lease, under which the Scout Group

took on full responsibility for all repairs, maintenance and operating costs, was granted at a peppercorn rent. The lease was renewed in October 2015 on similar terms for a period of 20 years until October 2035 at an initial rent of £1 per annum (if asked). The rent payable under the current lease is subject to regular review. In accordance with the September 2019 decision of the Policy and Resources Committee, the rent was reviewed to £5,790 per annum with effect from October 2020 and the Scout Group was invited to apply for a continuation of their rental support.

- 3.3 The Scout Group is a registered Charity (SC035846) affiliated to Scouts Scotland, whose purpose is to actively engage and support young people in their personal development, empowering them to make a positive contribution to society. The Scout Group is constituted in accordance with the Policy Organisation and Rules of the Scout Association, a charitable body incorporated by Royal Charter.
- 3.4 The redacted submissions in support of the application are available on the Committee Management System at <https://moray.cmis.uk.com/moray/CouncilandGovernance/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1728/Committee/37/SelectedTab/Documents/Default.aspx>.

#### **4. ASSESSMENT OF APPLICATION**

- 4.1 The Scout Group's governance and financial management arrangements are considered sound and sustainable (strong). Best Value characteristics are in evidence in the application (strong). The projected benefits, which relate primarily to social wellbeing and accrue to a wide range of people using the hall, are considered acceptable, potentially leading to value for money, and sufficient to justify a renewal of the 100% rental concession (moderate).
- 4.2 The Council's Community Support Unit has undertaken a detailed assessment of the Scout Group. The Scout Leaders have many years of experience in running the group and managing the building. The Scout Group works well with the other groups that use the facility and with the wider community. The group has a record of successfully drawing down funding to maintain and refurbish the building.
- 4.3 Prior to the COVID-19 pandemic and the resultant restrictions on community activities, the building was open and available for use by other groups, including Brownies, Fly and Friendship Club and Scotty Knitters. It is currently being used as a COVID-19 testing centre and will be a Polling Station in May 2021. It is evident from the letters of support that local groups are appreciative of the work that the Scouts have done in maintaining and improving the building for community use.

#### **5. RENT REVIEW PROVISIONS**

- 5.1 The lease to the Scout Group includes a provision that the rent can be reviewed annually. However, the rental concessions awarded to all other beneficiaries under the former CRG scheme are reviewed on either a 3-yearly or a 5-yearly cycle. There is a significant amount of work involved both for Council staff and for the Scout Group in carrying out this exercise annually.

However, the additional work involved is unlikely to provide any added benefit. It is considered that the group has provided sufficient evidence to justify following a 5-year review cycle. This would put the next review back to October 2025, with a further review every 5 years until expiry.

- 5.2 The impact of COVID-19 measures on staff working practices and workload have exacerbated existing pressures on staff resources within the Estates section. The section's workload is currently prioritised in favour of higher value corporate priorities. This situation is under continuous review and the merits of implementing rent reviews must be considered in this context. This prioritisation may result in longer periods between rent reviews, particularly in respect of lower value properties.

## 6. **SUMMARY OF IMPLICATIONS**

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

Leasing assets to the community supports the 10 Year Plan (LOIP) aim of creating more resilient and sustainable communities and is consistent with the Corporate Plan value of promoting community empowerment as a means of supporting communities take on more responsibility. The proposal also supports the LOIP priority of building a better future for our children and young people in Moray.

### **(b) Policy and Legal**

On 21 March 2017, the Policy and Resources Committee approved the following policy statement in relation to the CAT scheme (paragraph 5 of the Minute refers).

*“Moray Council recognises the important role that the transfer of property assets can play in empowering communities and strengthening their resilience. Where appropriate, the council will use the transfer of assets to give more control to communities and local people, inspire them to find local solutions to community needs, and as a means of helping communities become more sustainable in the long term. In determining all asset transfer requests, the council will have regard to the guidance provided by the Scottish Government in relation to asset transfer requests made under Part 5 of the Community Empowerment (Scotland) Act 2015, whether or not such requests are made under the provisions contained in the Act.”*

Assets transferred to the community at less than market value must comply with the Disposal of Land by Local Authorities (Scotland) Regulations 2010, which requires the Council to be satisfied that the proposed transfer is reasonable and that the disposal is likely to contribute to the promotion or improvement within Moray of any 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 discount is the minimum necessary to allow the project to proceed and that it is commensurate with the likely benefits of the project. The benefits associated with the Scout Group's application relate primarily to Social Wellbeing, which covers a wide range of activities that bring people together, creating a stronger community spirit, and supporting learning and cultural development.

**(c) Financial Implications**

Under the terms of their lease, the Scout Group are responsible for maintaining the building in good and substantial repair and condition and for meeting all costs relating to their occupation. The rental value of the Old Ogilvie School has been assessed at £5,790 per annum. The projected benefits of the Scout Group's occupation of the property are considered commensurate with a 100% discount on the rental value.

**(d) Risk Implications**

The Scout Group has a proven record of managing this facility successfully over the last 40 years. The risks associated with COVID-19 have been considered by the Scout Group and appropriate actions identified to mitigate these. Consequently, the risks of the Scout Group failing are considered low.

There is a low risk of the presence of State Aid as the service delivered is considered to be local and, therefore, unlikely to affect intra-community trade among EU member states.

**(e) Staffing Implications**

The staffing implications are set out in the body of the report.

**(f) Property**

The property implications are as detailed in this report.

**(g) Equalities/Socio Economic Impact**

An Equalities Impact Assessment is not required as agreeing to a continuation of the rental concession would have no adverse impact on Council service delivery.

**(h) Consultations**

The Depute Chief Executive (Economy, Environment and Finance), Chief Financial Officer, Head of Economic Growth and Development, Head of Education Resources and Communities, Legal Services Manager, Estates Manager, P. Connor Principal Accountant, Acting Community Support Manager, L. Rowan Committee Services Officer, and Equal Opportunities Officer have been consulted and comments incorporated in the report.

The local Ward Members, Councillors Theresa Coull, Donald Gatt, and Laura Powell, are aware of the application and may make their views known at Committee.

**7. CONCLUSION**

**7.1 The strength of the 2<sup>nd</sup> Keith Scout Group's application is considered moderate to strong with sufficient benefits to justify a renewal of the 100% rental concession.**

**7.2 The Scout Group has provided sufficient evidence to justify following a 5-year review cycle in keeping with the arrangements in place for the review of similar rental support under the former CRG scheme.**

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Background Papers: Held by author  
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