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**REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL SUSTAINABILITY COMMITTEE ON 8 JUNE 2021**

**SUBJECT: FORRES COMMON GOOD – TRANSITION TOWN FORRES**

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

**1. REASON FOR REPORT**

- 1.1 To inform the Committee of an application from Transition Town Forres for financial assistance from Forres Common Good Fund to fund a second year's rental of the ground at Bogton Road following a rental review in March 2020
- 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 (paragraph 9 of the Minute refers).

**2. RECOMMENDATION**

- 2.1 **The Committee is asked to consider a request for funding from Transition Town Forres. If approved, the grant will be funded from the Forres Common Good Fund.**

**3. BACKGROUND**

- 3.1 Decisions in relation to Common Good Funds are delegated to the Head of Financial Services in consultation with local Members. If agreement of at least two thirds of local Members cannot be obtained on an application for funding from the Common Good Fund then the application will be reported to Economic Growth, Housing and Environmental Sustainability Committee.
- 3.2 Transition Town Forres leases property from the Council (held on the Forres Common Good account) comprising secured yard, office, storage shed and gardens. The lease is for 30 years from 31 March 2009, but includes an annual break option in favour of Moray Council upon serving 12 months'

notice at any time after 31 March 2020. The tenant paid a one off sum of £40,000 at entry and undertook to carry out improvement works to the property. On this basis, it was agreed there would be no annual rent payable until the first rent review at 31 March 2020. The rent at review was agreed with the tenant as £13,200 per annum.

- 3.3 Transition Town Forres applied for grant funding of £15,840 (including VAT) from Forres Common Good Fund in August 2020 to cover the annual rent of Bogton Road, Forres following the rent review in March 2020. The four local Members approved the application for one year of rent to be waived in order to allow the new board to have time to prepare a business plan which would demonstrate the company could pay future rent. It is the concern of two of the local Members that whilst the allotments have been a success and contribute greatly to the common good of the people of Forres, the building and yard on the site might be more benefit to the Common Good if they were leased on the commercial market.
- 3.4 Transition Town Forres has requested funding of £15,840 (including VAT) to cover the annual rent from 31 March 2021 for the ground at Bogton Road, Forres.
- 3.5 Transition Town Forres Limited was incorporated on 24 July 2008 and is a registered Scottish Charity. The company was set up to help reduce dependency on fossil and other non-sustainable fuels, and to develop local solutions to respond to the social, environmental and economic challenges the communities face. The site at Bogton Road, Forres, houses the Community Garden and is a place where people learn how to grow their own food and meet other gardeners. Currently, there are approximately seventy gardeners using the site.
- 3.6 On 15 June 2020, Transition Town Forres Limited lodged an Expression of Interest in a free transfer of ownership of the Bogton Road site under the CAT Scheme. However, the company was not eligible to make an asset transfer request under the scheme. The company has indicated that it intends to amend its Articles of Association to become eligible and that it has appointed consultants to undertake a feasibility study in relation to a possible asset transfer request. However, no timescale has yet been provided by the company for such a request being made. It should be noted that a future asset transfer request would be subjected to a statutory public consultation before being determined. Although eligible community-controlled bodies have a right to make asset transfer requests to public authorities and the relevant legislation includes a presumption in favour of such requests being granted, they can be refused where there are reasonable grounds for so doing.
- 3.7 The Policy and Resources Committee agreed on 16 January 2002, to continue with the policy of distribution of two-thirds of the estimated annual income available from the Common Good Funds (paragraph 22 of the minute refers). The remaining third is to be re-invested in order to maintain the funds for future generations. Under this policy, £25,936 is available for disbursement from Forres Common Good in 2021/22. As stated in paragraph 4(c) there is currently a balance of £21,606 available to be disbursed in 2021/22.

- 3.8 An examination of the Transition Town Forres accounts shows a deficit of £19,541 for the year ended 31 March 2020. The Balance Sheet shows that the group hold the following funds at the same date:

Cash at Bank/in hand	£ 23,369
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The accounts for the year ended 31<sup>st</sup> March 2019 showed a deficit of £21,006 and the year ended 31<sup>st</sup> March 2018 showed a deficit of £25,191.

#### 4. **SUMMARY OF IMPLICATIONS**

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

None

**(b) Policy and Legal**

The Council's adoption of the policy of retaining one third of disposable income in each financial year will protect the capital for each of the Common Good Funds and ensure their sustainability in the future.

**(c) Financial implications**

£25,936 is available for disbursement in 2021/22 from the Forres Common Good Fund this figure includes two thirds of the rental income due from Transition Towns Forres of £8,800. To date £4,330 has been committed leaving a balance of £21,606 available for disbursement.

The rent of £13,200 per annum is considered to be a fair rent taking into account the provisions of the lease. However the market rent is estimated at £18,800 per annum if let without the clause restricting use to charitable objectives of limiting the Community's carbon footprint including Community Garden, Farmers Market, Vegetable Box Outlet, Bio Fuel Production, compost Production, Education and Training, Seed Swapping and other Community Activities and the annual break option.

**(d) Risk Implications**

**(e) Staffing Implications**

None

**(f) Property**

As detailed in this report.

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

None

**(h) Consultations**

Local Members for Forres have been consulted and a consensus view could not be achieved. The matter has therefore been referred to this Committee for a decision. The Head of Financial Services, Estates Manager and Asset Management Coordinator have been consulted and the comments received have been incorporated in the report.

**5. CONCLUSION**

- 5.1 The Committee is asked to consider the request from Transition Town Forres to assist them by funding the 2021/22 rental charge for the premises at Bogton Road, Forres.**

Author of Report: Nicky Gosling, Accountant  
Background Papers: with author  
Ref: