

Overview and Scrutiny Committee

11th December 2012

MINUTES

Present:

Councillor Juliet Brunner (Chair), Councillor Simon Chalk (Vice-Chair) and Councillors Andrew Brazier, David Bush, John Fisher, Andrew Fry, Pattie Hill, Gay Hopkins and Pat Witherspoon

Also Present:

Councillors Roger Bennett, Michael Braley and Carole Gandy.

Officers:

C Felton, T Kristunas and J Staniland

Committee Services Officer:

J Bayley and M Craggs

EXTRACT FROM THE MINUTES – MINUTE 113

CONCESSIONARY RENTS - PRE-SCRUTINY SHORT, SHARP REVIEW

Before Members considered the final report of the Pre-Scrutiny Short, Sharp Review, Officers delivered a presentation on the Council's draft new policy for granting concessionary rents to voluntary sector organisations (VSOs). This explained that a policy was being introduced to ensure that the Council's approach to offering rent relief to VSOs was fair, transparent, equitable, and consistent.

It was anticipated that the introduction of the new policy would accelerate the process for suitable VSOs to obtain grants. Members heard that VSOs would be able to apply for rent concessions up to a 70 per cent ceiling if they met certain criteria. Applications for concessionary rents would need to be submitted via the Council's Grants Panel which would then make recommendations to relevant Officers to make a final decision on whether rent relief was appropriate. VSOs were not necessarily required to submit full business cases unless they were appealing for a concession in excess of the 70 per cent ceiling.

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Chair

Overview and Scrutiny Committee

11th December 2012

Concern was expressed that the issue of rent reliefs could give some VSOs an unfair competitive advantage within in the Borough as costs would be reduced. Officers explained that the Council would mitigate this by not allowing two competing businesses to be positioned in the same Council owned business centre.

The Committee then received a summary of the final report of the pre-scrutiny review which was undertaken by Councillors Brunner and Brazier. Members were referred to the eight recommendations within the report and were provided with a rationale for each proposal.

The Councillors on the pre-scrutiny review commented that all VSOs should be required to provide a business case to explain why they were applicable to receive rent relief. It was thought that this would be beneficial to all parties involved, as it would strengthen the applications that were made. It could also give VSOs at the outset of the process a much clearer idea of whether they should proceed with an application.

It was also suggested that VSOs should be able to apply for five year leases rather than be restricted to a three year lease as proposed within the new policy. This would make some applications more viable for the VSO involved. However, on the other hand it was noted that other VSOs would not require a lease for a five year period.

The pre-scrutiny review had referred to a charitable organisation that provided comprehensive advice to VSOs on property issues. It had been suggested that the expertise held by the organisation could be utilised at a minimal cost to strengthen the overall concessionary rents process. However, while the principle behind the recommendation was accepted, concern was raised that the Council should not necessarily endorse any specific independent organisation without further examination of its operations. It was therefore agreed that the recommendation should be made more generic so that assistance could be obtained from a wider field of independent organisations.

The Committee felt that communicating the new policy effectively was extremely important, especially to VSOs that currently did not pay any rent at all on Council owned property. Members were generally supportive of the recommendation that workshops be held to promote and publicise the policy, although concerns were expressed about the potential costs involved.

Overview and Scrutiny Committee

11th December 2012

There was general support amongst the Committee that a review should be undertaken of the new policy after its inception. However, the appropriate timeframes for this review were debated and it was suggested that the Council could monitor the policy on a more regular basis.

Finally, Members commented that the final recommendation within the pre-scrutiny report was superfluous as it was essentially covered by the first recommendation. Councillors Brunner and Brazier accepted the suggestion.

RECOMMENDED that

- 1) **the Draft Policy attached at Appendix 1 to the report be approved, and implemented with immediate effect for new tenancies, subject to the further recommendations from the Overview and Scrutiny Committee being approved (as listed below in recommendations 4 to 10);**
- 2) **transitional arrangements be introduced with effect from 1st April 2013 to allow the policy to be fully implemented over a three year period taking into account the terms of existing leases;**
- 3) **authority be delegated to the Head of Finance and Resources in conjunction with the Council's Voluntary Sector Grants Co-ordinator to approve concessionary rents/rent relief in line with the draft policy attached at Appendix 1 to the report;**
- 4) **any Council policy on concessionary rents ensure that a consistent, fair, clear and transparent approach is applied to dealing with applications from third sector organisations;**
- 5) **any third sector organisation looking to obtain a concessionary rent from the Council be required to submit a detailed business case outlining their plans for a particular property;**
- 6) **Officers facilitate a series of workshops to advertise and promote the new policy to the third sector in Redditch;**
- 7) **the Council work with the local media and utilise social networks and its own website to publicise the new policy to the third sector in Redditch;**

Overview and Scrutiny Committee

11th December 2012

- 8) each approved concessionary rent agreement be for a minimum five year duration, include a three year break clause, and be monitored on an annual basis;
- 9) the Council undertake a review of the approved policy twelve months after its inception;
- 10) Officers further investigate suitable organisations to which third sector groups could be signposted with regard to obtaining independent advice on renting and managing properties; and

RESOLVED that

the reports be noted.

The Meeting commenced at 7.01 pm
and closed at 9.15 pm