

Wind Down Process for the Policy for Voluntary and Community Sector (VCS) Concessionary Rents

Purpose

The purpose of this document is to set out the process of winding down the Policy for VCS Concessionary Rents and transitioning current VCS groups who utilise the policy onto standard rental arrangements.

Process:

- The current policy for VCS Concessionary Rents is to be withdrawn. No concessionary rents will be available to the VCS other than these transitional arrangements for current VCS Groups in receipt of a concessionary rent.
- With immediate effect, no new applications will be approved for a concessionary rent.
- Once their current concessionary rent period ends, VCS groups will be moved onto transitional arrangements as set out below. There are eight concessionary rent periods (out of thirteen) which have or will imminently come to end.
- The remaining five concessionary rent periods are due to expire between now and October 2020.
- If this policy change is adopted it will be implemented from 1st April 2020. This will give some time to deal with issues regarding the transition process and individual leases.
- Groups will not be required to go through an application process to move onto the new transitional arrangement.
- The level of concession once these new arrangements begin will be set at 40% for one year.
- The level of concessionary rent will then move to 20% for a further year.
- Once this second year is up, all groups will receive a zero level of concession on their rent and have to pay full rent for their units.
- This means that organisations will have two years of receiving a concession on their rent before they have to pay full market rent.
- All VCS organisations currently receiving a concessionary rent will be paying rent at full value by November 2022.
- Property Services Officers will need to work with affected VCS groups to renew lease terms as appropriate.
- Any VCS organisation currently in arrears or who accrues arrears during their transitional concessionary rent period will be dealt with through the terms of their lease.