

REPORT FROM: DIRECTOR OF RESOURCES

TO: COUNCIL

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PENDLE COUNCIL CONCESSIONARY RENTS POLICY

PURPOSE OF REPORT

To approve the Concessionary Rents Policy to consolidate the Council's approach for community/ voluntary organisations requesting rent concessions as Council commercial property tenants.

RECOMMENDATIONS

That the Council

- (1) Approve the Concessionary Rents Policy (Appendix 1). This Concessionary Rents Policy would then continue to be the reference point for future decision making.
- (2) Delegate authority to the Director of Resources and the Leader of the Council to allow a further reduction if the organisation provides a service that the Council would otherwise be required to fund and resource.

REASONS FOR RECOMMENDATIONS

- (1) To facilitate a coordinated approach to determining rent subsidies for community and voluntary sector tenants.

ISSUE

Current position

1. Where the Council has ownership of land or property financial assistance can be given to occupiers by letting at a subsidised or concessionary rent.
2. There are a limited number of Council assets leased by voluntary and community organisations which have been entered into over several years. This has been negotiated without a formal policy but with an intention of keeping assistance to each of the organisations consistent.

3. The remainder of the Council's property portfolio is as diverse as the organisations that occupy them, but typically these are historic arrangements. Consequently, there are no processes for applying for concessionary accommodation.
4. Over time, the absence of a policy has resulted in differing leasing arrangements for these organisations and limited evaluation of community outputs. This has led to questions about consistency and ensuring equality, transparency and value-for-money in the use of Council-owned assets. A formal process going forward will support effective governance of these arrangements.
5. A review of current lease process undertaken earlier this year highlighted inconsistent approaches and reinforced the need for a policy to support effective governance of these arrangements. The new policy is not intended to change the existing formal occupations or rents but set a formal policy going forward.

Proposed approaches

6. The purpose of the Concessionary Rents Policy is to provide a framework for future awards for concessionary rents.
7. This will provide clarity on how future decisions are made about concessionary rents and the factors that need to be considered for the different rent options.
8. It is proposed that any applications for concessionary rents are assessed by a panel of officers. The panel will make recommendations for approval or rejection based on the assessment criteria with final approval granted by the Director of Resources, in conjunction with Resources portfolio holder.

IMPLICATIONS

Policy: The Concessionary Rents Policy will support delivery of the Council's Corporate Plan, particularly in relation to progressing the Citizens Hub objective.

Financial: The policy proposes letting properties at less than market rent, which in theory is a loss of income for the Council. However it is likely that there would be no interest in the properties if offered at market rent.

Legal: Whilst there are no direct legal implications arising from the proposals, clear and consistent principles for governing such arrangements are beneficial for prudent estate and budget management. The absence of a Policy could lead to an inconsistent approach and the Council responsible for additional financial responsibility beyond the concessionary rent.

Risk Management: None arising from this report

Health and Safety: None arising from this report

Sustainability: None arising from this report

Community Safety: None arising from this report

Equality and Diversity: None arising from this report

APPENDICES

Appendix 1 Pendle Council Concessionary Rents Policy

LIST OF BACKGROUND PAPERS