

**Teignbridge District Council  
Executive  
22 August 2023  
Part i**

**EXTENSION OF RENT SUBSIDIES**

**Purpose of Report**

To amend the rent subsidy policy to enable those organisations who had a rent subsidy as at 31<sup>st</sup> March 2023, to apply for a further subsidy period on the proviso that they are eligible under the criteria of the policy.

**Recommendation(s)**

**The Executive Committee RESOLVES to recommend to Full Council:**

**(1) that the rent subsidy policy be reviewed, and**

**(2) pending the outcome of that review and in the interim those organisations that were in receipt of a rent subsidy as at 31<sup>st</sup> March 2023, be permitted to apply for a further 12 month period of subsidy.**

**Financial Implications**

There are no additional implications arising out of the suggested recommendation in this report for 2023/24.

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**Legal Implications**

See paragraph 3.4 below.

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**Risk Assessment**

There are no significant risks arising from the proposed amendment to the existing policy. See section 5.

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## **Environmental/ Climate Change Implications**

There are no specific environment or climate change implications arising from this report.

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## **Executive Member**

Councillor Richard Keeling – Executive Member for Resources

## **Appendices/Background Papers**

Appendix 1 – Council rent subsidy policy

### **1. BUDGET AND POLICY FRAMEWORK**

- 1.1 The Council rent subsidy policy can be found in Appendix 1. Rent subsidies are issued to organisations that meet the criteria in accordance with the policy. There is no specific budget allocated to the scheme as asset by asset an award of rent subsidy is deducted from the rent due to the asset being leased. The impact of the policy is that there is a loss of income to the Council as the rent is subsidised for a period of time.

### **2. BACKGROUND**

- 2.1. O&S undertook a review of voluntary sector funding on 15<sup>th</sup> November 2021. This review included a review of the rent subsidy policy.
- 2.2. O&S recommended as part of their review that no new rent subsidies should be granted.
- 2.3. Executive resolved on 8<sup>th</sup> February 2022

*“To retain the supportive rent subsidy scheme for the next financial year subject to a satisfactory application;”*

In doing so the existing Council rent subsidy policy remained unchanged and eligible organisations continued to be able to apply as long as they met the terms and conditions of the scheme.

### 3. CURRENT POSITION WITH RENT SUBSIDIES

3.1. Since the Executive decision on 8<sup>th</sup> February 2022 two rent subsidy agreements expired on 31 March 2023. These are

- Buckland Community Centre -subsidy was £3,150
- Dawlish Scouts -subsidy was £137.50

3.2. Shaldon Water Carnival also receives a rent subsidy of £225 ending 31 March 2024.

3.3. Prior to expiry of their subsidy Buckland Community Centre applied for a new rent subsidy. This was considered by officers however it was determined that the organisation was not eligible for a further rent subsidy under the terms of the policy as it had been awarded two rent subsidies previously.

3.4. Legal advice was sought on interpretation of the policy which can be found below:

“The scheme’s original purpose was to provide an amount of financial assistance (through a rent subsidy) to its existing tenants who were providing a community benefit and who had fallen into financial difficulty. The amount of subsidy being determined by way of a scoring mechanism. The duration of the subsidy being a maximum one-off period of 4 years (13.1). That would seem to imply that only one application/grant of subsidy can be made. However, the wording at paragraph 13.2 “*An organisation may reapply for a further subsidy period.....*” rebuts that implication and in my opinion makes provision for a second application/grant, subject to the expressed caveats. It is my view that as things stand a tenant is limited to a maximum of two applications. If the intention was to allow more than two, the wording at 13.2 would/ought to have been ‘*An organisation may reapply for further subsidy periods*’.”

3.5. Officers have received representations from elected members that the Buckland Centre is unable to meet its rental costs to the authority as a result of the subsidy ending and the policy only specifying an organisation can have two rent subsidy awards. Members have requested we investigate short term options to resolve the situation.

### 4 ADVICE & OPTIONS

4.1 As the Council is undertaking an asset review and reviewing its asset policy, the rent subsidy policy should be considered as part of this review, however this will not be completed until later in the year and so it is recommended that Full Council review the policy at that time. This asset policy review could remove the need for a rent subsidy policy. In order to provide a short term solution the rent subsidies could be extended for Buckland and Dawlish Scouts for a further 12 months whilst this review is completed.

4.2 The only other option, apart from agreeing a temporary extension to allow the two specific organisations to apply for a further 12 month period, would be to review the rent subsidy policy in full or allow all organisations (whether they have a subsidy at 31 March or not) to apply for more than two subsidies. This

could have greater cost implications for the Council due to the number of organisations that may then apply. The work required to complete a full policy review would require significant officer resource and could not be completed before the asset policy review work is scheduled to be undertaken. It is therefore common sense to review this policy at the time of the asset policy review and determine whether it is still necessary and required.

- 4.3 Both options above do not provide a long term solution to the problem being faced by the Buckland Community Centre however officers have been asked to develop an immediate solution to the short term problem. Hence the proposal is to extend both rent subsidies and review the rent subsidy policy as part of the review of the assets policy and strategy.
- 4.4 If the ability of the two organisations to apply for a further 12 months is agreed, the rent subsidy policy and the qualifying criteria remains unchanged. Therefore, other organisations are also free to apply if they meet the eligibility criteria within the policy as is currently.
- 4.5 In order to be awarded a further 12 months subsidy, the two organisations will need to complete an application form and the level of subsidy will depend on the score the application is awarded:
  - >10 reject
  - 10+ approve 50%,
  - 14+ approve 75%,

## **5. RISK MANAGEMENT**

- 5.1 There are no significant risk implications for 2023/24. Future years would need to be reassessed as part of a review of the policy.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 There are no significant financial implications based on the suggested recommendation. The current subsidy is as outlined in 3.1 above. The agreement for the Buckland Community Centre is currently subject to an index based uplift being agreed / approved from 1 July 2023. Any agreed increase in rent would be captured within the calculation of any further subsidy in 2023/24 subject to the conditions of the rent policy.

## **7 LEGAL IMPLICATIONS**

- 7.1 See paragraph 3.4 above

## **8. RESOURCE IMPLICATIONS**

- 8.1 Enabling two organisations to apply for a further 12 months is the least resource intensive solution. Finance resource would be required to assess the two applications. A full policy review would involve resources from Finance, Legal and Communities & Service Improvement.

## **9. ENVIRONMENTAL/CLIMATE CHANGE IMPACT**

- 9.1 There are no specific environment or climate change implications.

## **10. DATE OF IMPLEMENTATION (CONFIRMATION OF DECISION SUBJECT TO CALL-IN)**

10.00 a.m. on 29 August 2023