

Key Decision Required:	No	In the Forward Plan:	No
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CABINET

17 SEPTEMBER 2021

REPORT OF DEPUTY LEADER OF THE COUNCIL & PORTFOLIO HOLDER FOR CORPORATE FINANCE AND GOVERNANCE

A.5 SUBSIDY OF RENTS FOR COMMUNITY GROUPS ELIGIBLE FOR THE CAROS SCHEME FOR THE FINANCIAL YEAR 1 APRIL 2021 TO 31 MARCH 2022

(Report prepared by Jennie Wilkinson)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To consider not charging rents for community groups eligible for or within the Community Assets Rent Offsetting Scheme (CAROS) for one year; including deferring the effect of any rent rises due to rent reviews or lease renewals in order to support them re-opening and starting to operate again.

EXECUTIVE SUMMARY

Community based groups and clubs were forced to close during the pandemic, with many closed for over a year or their premises used for other purposes like testing centres, meaning their income has been significantly reduced. Most are now beginning to re-open, but have had to change their operation, order more equipment to keep their users safe and limit the numbers that can attend some of their events, all of which has an impact on their finances.

As part of TDC's Back to Business Strategy, providing assistance to these groups in order for them to get up and running again safely, will have a positive impact on many sectors of the community across the whole District. Over the past 2 years, people have been isolated from their communities, family, friends and social groups. By supporting already established community activities get back on their feet safely, TDC will help its residents to re-connect with their local communities and support networks.

It is proposed that rent for the financial year 1 April 2021 to 31 March 2022 is subsidised for all CAROS eligible groups in order for the money to be used to support their previous members returning and in gaining new members.

In addition, any rent reviews or leases renewals that are due for CAROS eligible groups during this period will be suspended until 31 March 2022, meaning the rent will not increase for the initial 12 month period to provide an opportunity for groups to re-establish themselves.

RECOMMENDATION(S)

- (a) That rents due from Clubs and Groups that are part of or eligible to be part of the CAROS scheme are written off for the 12 month period from the 1 April 2021 to 31 March 2022; and**

(b) That implementation of any additional rent for such properties that becomes due in line with the completion of a rent review or lease renewal during or in respect of the period 1 April 2021 to 31 March 2022 is deferred until 31 March 2022.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

This subsidy supports collaborative working with partners, as well as the following aims within the Council's Corporate Plan:

Promote Tendring's tourism, culture and heritage offers;
Effective services and improved public health; and
Using assets to support priorities

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The total rents currently payable by clubs and groups receiving or eligible for the CAROS scheme amounts to £58,201.00 and the potential further liability in respect of additional rent under rent reviews and lease renewals is £25,016.50, bringing the total to £83,217.50. It is proposed this loss of income would be offset by the COVID and Back to Business funds.

Risk

No significant risks have been identified

LEGAL

The funding held by Tendring District Council is to assist areas affected by COVID and help get the District 'Back to Business'. It is at the discretion of Tendring District Council how the fund is used to achieve this.

Authority to write off sums of this magnitude is allocated to the Portfolio Holder For Corporate Finance And Governance.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

This subsidy will assist various clubs and groups that provide health and support benefits to many different sectors of the community across various Wards.

Net Zero Emissions

This decision does not have either a positive or negative effect on the Council's net zero emission target.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

Due to the COVID-19 pandemic and various lockdowns and restrictions over the past year, many community clubs and groups have been unable to operate and therefore unable to generate any income. The Council provided a 3 month subsidy to support those groups that are part of or eligible to be part of the CAROS scheme for the period 1 April 2020 – 30 June 2020 last year and support by way of government grants enabled them to pay their remaining rent and building costs.

As the clubs and community groups look forward and start opening up, they are having to invest in and put in place additional equipment and measures to enable them to operate safely. In some cases they have to limit the numbers of people attending their events, which either means that additional events are held, increasing operating costs or less money is being received from participants.

CURRENT POSITION

Tendring District Council has access to COVID and Back to Business funding and using part of this fund to provide a 1 year rent free period for CAROS eligible community based groups in Tendring will help them to re-open and provide their services safely to many Tendring residents and visitors.

The total amount of rent due to be paid by these groups in the year 1 April 2021 – 31 March 2022 is £58,201.00.

In addition to this, there are a number of rent reviews and lease renewals for these groups that are due to take place within the period 1 April 2021 – 31 March 2022. In the majority of cases valuations have already been carried out and figures are known. In a couple of cases, estimated figures have been used pending official valuations. The total of these amounts to £25,016.50. There are varying start dates for the increases, depending on the individual agreements.

FURTHER HEADINGS RELEVANT TO THE REPORT

None

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

None