

**ANGUS COUNCIL**

**POLICY & RESOURCES COMMITTEE – 8 JUNE 2021**

**REVIEW OF COMMON GOOD RENTS**

**REPORT BY DIRECTOR OF INFRASTRUCTURE**

**ABSTRACT**

This report details the outcome of the 5 yearly Common Good rent reviews, effective from 1 April 2021

**1. RECOMMENDATION**

The committee is recommended to approve the review of the rent of the Common Good properties occupied by Angus Council for General Fund purposes as detailed in Appendix 1.

**2. ALIGNMENT TO THE COUNCIL PLAN**

This report contributes to the outcomes contained in the Council Plan and Angus Community Plan 2017-2030.

**ECONOMY**

- An inclusive and sustainable Economy
- An enhanced, protected and enjoyed natural and built environment
- Safe, secure, vibrant, and sustainable communities

**3. BACKGROUND**

The Communities Committee of 16 August 2016 (Report 299/16) approved rent reviews of Common Good properties occupied by Angus Council for General Fund purposes with effect from 1 April 2016.

The rents are reviewed every 5 years on commercial terms in an upward direction only or with no change.

The leases of Common Good properties to third parties are reviewed in accordance with the individual terms and conditions for occupation of each property. The Council cannot have a contract with itself and this means there can be no formal lease agreements between the Common Good and the General Fund. Report 138/21 approved by full council on 13 May 2021 set out revised guidelines and administrative procedures for Common Good properties occupied by the General Fund.

**4. CURRENT POSITION**

The next review of Common Good properties occupied by Angus Council was due to take effect from 1 April 2021. The Council's Team Leader Estates, a Member of the Royal Institution of Chartered Surveyors (RICS) and an RICS Registered valuer reviewed the rents to open market levels.

**5. PROPOSALS**

Proposed rents for Common Good properties occupied by Angus Council for General Fund purposes with effect from 1 April 2021 are detailed in Appendix 1.

## 6. FINANCIAL IMPLICATIONS

- 6.1 The review of the Common Good rents for properties occupied by Angus Council with effect from 1 April 2021 has resulted in a proposed annual increase of £34,653 in rental income to the Common Good funds. The increases summarised on a burgh by burgh basis are outlined below.

Burgh	Open Market Rental 1 April 2016	Open Market Rental 1 April 2021	Net Increase
Arbroath	£76,385	£86,857	£10,472
Brechin	£35,665	£40,555	£4,890
Forfar	£84,315	£95,875	£11,560
Montrose	£56,390	£64,121	£7,731
<b>Total</b>	<b>£252,755</b>	<b>£287,408</b>	<b>£34,653</b>

- 6.2 The reviews will result in an increased revenue cost to the Directorates and Services and the increases per Directorate and Service are outlined below. The increased costs will be contained within the Directorate's and Service's 2021/22 Revenue Budget.

Directorate	Service	Net Increase
Chief Executive		£686
Legal & Democratic		£4,613
Communities	Environmental Services	£22,741
Communities	Housing	£1,124
Infrastructure	Assets	£3,153
Infrastructure	Roads & Transportation	£2,322
Education & Lifelong Learning		£14
<b>Total</b>		<b>£34,653</b>

- 6.3 The increases associated with the Arbroath, Brechin, Forfar and Montrose Common Good funds will be, subject to Committee approval of this report, be included in their respective 2021/2022 budgets.

## 7. CONCLUSION

The five yearly rent reviews of rents of Common Good properties occupied by Angus Council are carried out to ensure that the Common Good funds receive the appropriate levels of rent for their properties.

## 8. EQUALITY IMPACT ASSESSMENT

An Equality Impact Assessment is not required

**NOTE:** No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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List of Appendices:

Appendix 1 – Common Good Rentals 2021