**WICK COMMON GOOD**

**PROPOSAL TO DISPOSE, BY LEASE, OF BIGNOLD HOUSE LOCATED ON BIGNOLD PARK, WICK TO WICK ACADEMY FOOTBALL CLUB.**

**REPRESENTATIONS AND RESPONSES**

1. **Number of responses received**

The public consultation period ended on 21 March 2022 with a total of 5 responses having been received. Responses were received from the Wick Community Council and local residents. These responses are broken down as follows:

* 2 were fully supportive
* 3 were supportive but also raised issues/comments for response.

1. **Representations, questions and issues distilled from the responses received**
2. **Supportive comments received**

The types of supportive comments received can be summarised in the following examples:-

* Great idea for Wick Academy to take over the running of the vacant property at their home ground.
* The house could have fallen into disrepair becoming an eyesore, but this will ensure it is maintained and used in a productive manner.
* Fantastic idea bringing the property back into use.
* The house is lying empty so it makes sense to lease it as it will bring income into Wick Common Good.

1. **Objections or issues raised for response**

Some representations received raised questions or issues for response.

The issues raised are summarised in the table below.

|  |  |
| --- | --- |
| **Questions/issues/concerns** | **Council’s suggested response** |
| The annual rent proposed is very low for a property of this size. How has the figure been calculated? | The rental valuation of the property has been based on location, size, condition, market evidence, and lease terms. The property is of nonstandard construction and is very poorly insulated. It has previously been used as a dwelling, but it was too expensive to heat and was not fit for purpose.  This lease will transfer all running and maintenance costs to the tenant. While securing a long-term income source for the Wick Common Good fund.  The property has been vacant for several years and will continue to require upkeep and maintenance. The need to have a tenant take on all running costs for the subject in its present condition was a key element of this lease.  The lease provides the best outcome for the Wick common good fund because outgoings will be minimised, and a new long-term source of income will be created. The agreed rent is the result of negotiations between the parties and the agreement represents best value.  The proposed lease will return the subject to beneficial use and will be mutually beneficial for both the Wick Common Good fund and the Wick Football club. |
| There is no consistency with other rentals – for example a community voluntary group had to give up a I room garage when the rent was increased to £1,450pa but this proposal is for a figure of £1,000pa for a house to a football club receiving much more income. | Without specifics on the community group’s lease mentioned here there is no way to compare them accurately and fairly. Any number reasons could affect the rental value of a property from its location, size condition, market, and or lease type. All of these factors are considered when a rental level is determined. Every property is looked at on an individual basis. |
| Where will any income received be kept and how will it be distributed?  Monies received should only be for the benefit of the people of Wick, community projects and not to pay for planned Council works. | All income will be received into Wick Common Good Fund. The Council is required to manage and account for Common Good property and funds separately from other Council property and funds. The Common Good Policy available on the Council website provides more information – the link is included below this table.  Wick Common Good currently has minimal cash assets and it will take time for sums received to accumulate to a level whereby distributions/grants could be considered possible.  Most of the Council Common Good funds that have been recognised for a significant period of time take responsibility for maintenance of their assets from their available funds however, this will not be possible for Wick until funds have accumulated. Common Good is property owned by the Council and, as such, responsibility will remain with the Council for such matters until Wick Common Good is able to take on this responsibility.  Local authorities are not bound to spend Common Good funds only within the boundaries of the former Burgh. However, they are bound to “have regard” to the interests of the inhabitants of the former Burgh. The former Burgh boundaries were as existed in May 1975 when the Burghs were abolished so may not reflect modern day boundaries. In practise, Highland Council applies Common Good to the area to which it belongs and not outwith that area.  Common Good funds are not used to pay for or meet shortfalls in respect of work due from other Council budgets. |
| Wick Community Council raised some specific queries on the proposed lease terms as follows:   * Break option should be subject to 6 months’ notice not 3 months as suggested. * Rental should be £3,000pa not £1,000pa. * Why should there be a rent free 12 month period? It should be at a reduced rent instead – half the annual rent would be fair. | Local members were fully briefed on the proposed lease terms.   * 3 months’ notice is the standard lease term the council offers on commercial leases. * The rental level of £1,000pa was reached with the club taking on property in its current condition and agreed by local members. This lease will see all running and maintenance costs fall to the tenant. While securing a long-term income for the Wick common good. * A lease of this length is considered to be a disposal. Common Good legislation requires that there must be a public consultation and, if approved, approval of the Sheriff Court. The Football Club is meeting the costs of the consultation and Court process the total cost of which exceeds the rent free period. Allowing a rent free period reflects both these costs and any additional risk. |
| What admin fees will be charged to Wick Common Good in respect of overseeing the lease and any rent reviews? | Corporately, the established Highland Common Good funds pay a central support charge which covers such services as support from the Council finance team.  Monitoring of the lease would be down to the area surveyor and the ward manager. The rent review pattern is every 5 years and is tied to an inflationary index. The area surveyor would issue the rent review notice and conclude the rent review. The usual practise is for a charge on a time taken basis to be made by the Estates Team recoverable against the particular Common Good fund concerned. |
| Ideally Wick Common Good will be overseen by a committee which includes local representatives as well as the local Area Councillors. | Common Good is a statutory responsibility of local authorities. Currently Highland Common Good funds are managed in a corporately consistent manner with none of them including community representatives on the Area Committees responsible for administering and decision making. All decisions in respect of the common good are taken in compliance with the relevant statutes and the Council’s Scheme of Delegation. |

Common Good Fund Policy

<https://www.highland.gov.uk/downloads/download/1845/common_good_fund_policy>