

Item: 14

Education, Leisure and Housing Committee: 16 February 2022.

Gateway Housing – The Grind, Eday.

Report by Executive Director of Education, Leisure and Housing.

1. Purpose of Report

To advise of the outcome of consultation with Eday Community Council and consider future arrangements for use of The Grind, Eday, following changes in private sector housing legislation.

2. Recommendations

The Committee is invited to note:

2.1.

That, on 8 September 2021, when considering future arrangements for use of The Grind, Eday, following changes in private sector housing legislation, the Education, Leisure and Housing Committee recommended that the Executive Director of Education, Leisure and Housing should consult Eday Community Council regarding the two options in respect of future arrangements for use of The Grind, Eday, namely Mid-Market Rent or Social Rented Housing.

2.2.

That, following consultation, Eday Community Council confirmed support for The Grind, Eday, being let as a mid-market rental property.

It is recommended:

2.3.

That the Eday Partnership should develop a mid-market rent policy, in consultation with the Executive Director of Education, Leisure and Housing, to enable The Grind, Eday, to be let as a mid-market rental property.

2.4.

That powers be delegated to the Executive Director of Education, Leisure and Housing, in consultation with the Solicitor to the Council, to amend the management agreement in respect of The Grind, Eday, to reflect the amended letting arrangement, referred to at paragraph 2.3 above.

3. Introduction

3.1.

At its meeting held on 8 September 2021, when considering future arrangements for use of The Grind, Eday, following changes in private sector housing legislation, the Education, Leisure and Housing Committee noted:

- That, in 2009, the Council developed a house in Eday, now known as The Grind, which was intended for use as gateway housing.
- That the Council entered into a management agreement with the Eday Partnership in respect of The Grind, including a lease arrangement at a peppercorn rent of £1 per annum for a period of 25 years.
- That the management agreement allowed for The Grind, Eday, to be let by the Eday Partnership to households trialling life in Eday on the basis of a short assured tenancy.
- That, following introduction of the Private Residential Tenancies (Scotland) Act 2016, a short assured tenancy could no longer be created.
- The options appraisal in respect of future arrangements for use of The Grind, Eday, as detailed in section 5 of the report by the Executive Director of Education, Leisure and Housing, with the preferred option being Option 1, namely that the Eday Partnership develop a mid-market rent policy, in consultation with the Council, and thereafter let the property as mid-market rent accordingly.

3.2.

The Committee recommended:

- That the Executive Director of Education, Leisure and Housing should consult Eday Community Council regarding the two options in respect of future arrangements for use of The Grind, Eday, namely Mid-Market Rent or Social Rented Housing.
- That the Executive Director of Education, Leisure and Housing should submit a report, to the next available meeting of the Education, Leisure and Housing Committee, on the outcome of the consultation with Eday Community Council, referred to above.

4. Consultation

4.1.

A meeting of Eday Community Council was held on 2 December 2021, where officers from the Education, Leisure and Housing Service gave a short presentation which outlined the salient points under consideration and some general facts around the property itself and its usage.

4.2.

Members of Eday Community Council advised that they had seen a copy of the committee report submitted to the meeting of the Education, Leisure and Housing Committee held on 8 September 2021 and had discussed the matter at an earlier meeting.

4.3.

Eday Community Council confirmed support for the following:

- The proposal to use the property for mid-market rent.
- Eday Partnership holding the lease with the Council and dealing with onward letting of the property in line with relevant policy and process.

5. Next Steps

5.1.

Discussions should now take place with the Eday Partnership in order to assist them to produce a policy on mid market rent which is in line with legislation and good practice and can assist the Partnership to deliver appropriate outcomes for the community of Eday.

5.2.

The management agreement between the Council and Eday Partnership should be reviewed accordingly to ensure it remains reflective of the current situation and requirements on both parties.

6. Corporate Governance

This report relates to the Council complying with governance and procedural issues and therefore does not, directly support and contribute to improved outcomes for communities as outlined in the Council Plan and the Local Outcomes Improvement Plan.

7. Financial Implications

There are no direct financial implications arising from this report.

8. Legal Aspects

8.1.

The property is let on a full insuring and repairing lease to Eday Partnership which is the most common commercial lease in Scots law. The lease commenced on 10 February 2010 for a peppercorn rent of £1 and the letting arrangements are governed by a Management Agreement.

8.2.

The private residential tenancy was introduced by the Private Housing Tenancies (Scotland) Act 2016 and is defined in Section 1 of that Act. The property must be let as a separate dwelling, and the tenant must live in it as their only or main home. Further, the tenancy must not be one of the excluded types of tenancy set out in Schedule 1 of the Act, which includes certain tenancies for low rent, institutional providers of student accommodation, and holiday lets.

8.3.

A tenancy cannot be a private residential tenancy if the landlord is a local authority. However, given that the nature of the leasing arrangement between the Eday Partnership and the Council is by way of a commercial lease, and that the landlord for the purposes of the sub-lease will be the Eday Partnership, this exclusion does not apply.

8.4.

As the Management Agreement envisages a let to a prospective tenant by way of a Short Assured Tenancy and an open market rent and the preferred route is now a private tenancy and a mid market rent, the Management Agreement will require to be amended accordingly.

9. Contact Officers

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