



Radyr & Morganstown Community Council Cyngor Cymuned Radur a Threforgan

Report

Agenda Item 12

Meeting: Finance Committee
Date: 2 March 2023
Report Author: Assistant Clerk

Update on Guide Hut Rent

Introduction

1. This report updates Members on Payment of Ground Rent at the Guide Hut at Bryn Derwen.

Background

2. The Council has paid the rent direct on the Guide Hut This report regularises the arrangements, following a request for clarification from the users.

Key Issues

3. The Council received an email from the Treasurer of Radyr Friends of Guiding in September 2022 requesting a bill for the Ground rent on the Guide Hall. It was stated that from memory, they paid the Ground Rent and then applied to the Council for a grant to cover the cost. The Guides have no record of paying the rent since 2016. No grant application has been requested since 2016.
4. Council records indicate however, that the rent has been paid direct by the Council to Visa Properties since 2017. Payments have been paid in two instalments of £50 each year in June and December.
5. The Council wrote to the Treasurer to confirm that we had not sent the Friends of Radyr Guiding a bill for the Guide Hut ground rent since 2017, and that the Council had been paying this direct twice yearly.
6. Further dialogue and research took place into the New Year to try to try to clarify the position.
7. A 99 year lease exists between the Council and the Girl Guides Association Trust Corporation. The Lease states that the rent is £50 per annum for the first 33 years,

£100 per annum for the second 33 years £200 per annum for the remaining 33 years.
The Lease ends in 2043.

8. Members are asked to contemplate a way forward.
9. Members may wish to continue to pay the Ground Rent direct twice per year (June and December), unless the lease prevents this. The lease has been studied as far as possible, though the Clerks are not legally qualified. It is unclear as to who is responsible for paying the rent.
10. Continuing to pay the rent direct by the Council is relatively straightforward in administrative terms. The effect on the Council's finances is the same as if we responded to a grant application for the rent. This is the preferred course of action.
11. The other option is to revert back to the old method whereby the Council invoice the Friends of Radyr Guiding for the Ground Rent and the Friends of Radyr Guiding apply for a Grant to cover the costs. This seems an untidy arrangement and raises questions of VAT on any invoice issued. It is not clear what the invoice would cover.
12. A tidier arrangement would be for the Guides to submit a grant application to cover the rent but given that the Council is already paying the rent direct this would seem to be an unnecessary step to introduce.
13. Although this matter involves fairly small amounts, advice has been sought from One Voice Wales in view of the lack of clarity over the legal arrangements. Their advice is that in view of the small amount of expenditure involved here coupled with the need to avoid unnecessary administration they are of the view that the rent should be paid direct as proposed.

Financial Implications

14. As reported above.
15. Costs are met from code E2

Links to Corporate Objectives

16. The Council's Annual Report confirms that the Council's objectives include delivering:
A Prosperous Community. A Resilient Community. A Healthier Community.
A More Equal Community. A Cohesive Community. A Community of Vibrant Culture & Thriving Welsh Language. A Globally Responsive Community.
17. The guide hut supports the community and helps to deliver a number of these priorities.

Staffing Implications

18. n/a

Risk Management Implications

19. No specific risks are associated with this project. Key risks relating to Council services etc. are addressed in the [Risk Register](#).

Legal Implications

20. This project can be delivered/has been delivered using powers available to the Council under the following legislation:

Local Government (Miscellaneous Provisions) Act 1976 s19

Recommendation

21. It is **recommended** that Members determine a way forward.