

Community Southwark VCS Premises Project Learning and Recommendations - Appendices

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Contents

Appendix 1	2
VCS Premises focus group notes	2
Capacity and relationships	2
Communication	4
Processes	5
Future planning	7
Appendix 2	9
VCS Premises Case Studies	9
Premises managed by VCS for groups working on same theme – We Are 336.....	9
Community-led entity created to manage centre - The Selby Centre Tottenham	9
Funder managed spaces – Fivefields, Victoria.....	10
CVS managed spaces – CVA and Sobus, Croydon and Hammersmith and Fulham	10
New entity created by infrastructure groups to manage space – Community House Bromley	11
Linking up community spaces and healthcare - Bromley by Bow Centre	12
Appendix 3	14
Other boroughs’ policies: VCS Premises	14
Lewisham - Community Assets policy	14
Lambeth - VCS Asset strategy	21
Tower Hamlets - Community Premises Portfolio and Community Benefit Rent Reduction Scheme	26



Appendix 1

VCS Premises focus group notes

We carried out 6 interviews with VCS groups who are current tenants of Council properties, and asked about their experiences. We discussed what went well, what hadn't gone well, and what improvements they would like to see.

Below are the highlights of those conversations, edited and arranged for clarity around major themes.

Capacity and relationships

Council capacity and understanding

- For successful community spaces, the officers and departments responsible (whether for a council owned space or one supplied by private organisation) need to have a strong sense of what is needed for community work.
- Concern that some departments or staff members don't understand the sector.
 - Examples of community space being offered with no catering / kitchen capacity, or spaces having very strict limits on food, drink, noise etc.
 - Examples of stair-casing rent, when the VCS group has no profit-making programme.
- They also need to really understand what benefits the VCS brings to a particular area.
 - Important to do "people focussed planning", rather than focus on housing and green spaces – surfacing what community organisations bring to the area.
- Can VCS groups be given more voice or power in planning discussions?
 - "Bats and falcons are more protected than established community organisations in planning processes".
- Departments need to accept inherent level of risk when working with people, community and the VCS.
 - Is it always going to be messy and risky, but this can be mitigated with correct support.

VCS Capacity

- Understanding of leases and legal issues around property varies hugely within the sector, but even groups with experienced CEOs and/or trustees encountered many issues and required further support from external sources.
- The majority are learning on the job, which can be a very hard thing to do considering the many other roles these senior leaders are doing – and it drains capacity from other areas.
 - Many individuals found the process intensely stressful and a number came close to giving up.
- This is the case with both short and long-term leases, and temporary spaces are such huge effort to pack up and unpack with small teams. Important to minimise the amount of time needed to be spent on this.
- All groups would benefit from clearer information and signposting to sources of support.
 - Groups we spoke to accessed advice through LawWorks, Russell Cooke, Howard Lovells, Ethical Property Foundation, Community Southwark.

Shared capacity

- Property owners, including the council, need to have honest conversations with groups about capacity on both sides, and help both to understand their shared capacity for making something work – including how this capacity can be built.
 - Don't assume, there may be more or less than you would expect on both sides.

Training

- Any form of training around premises should be a journey with a through line, rather than one and done.
 - E.g. could give people temporary opportunities to develop skills and real-world experience in small doses.
 - Different levels – bits and pieces about basic requirements and core policies through to more substantial training.
 - Could be structured with empowerment focus – an NVQ in premises management over a 12-month period, fully empowering people to run space, and to train people up for employment purposes.

Understanding of realities

- Day to day management of spaces can be really difficult, and if smaller groups are not prepared it can be a bruising experience that can ruin relationships forever.
- For spaces used by multiple users, need to have premises or facility managers to support people using any space.
 - E.g. bring smaller groups in and teach hirers about first aid, health and safety, fire etc.
- Groups giving spaces to long term hirers (who might be key-holders or accessing out of hours) need to be patient and have out of hours processes. Issues will occur and is something you need to be prepared for.
- Leaseholders need to understand the risks involved of working with uncooperative landlords, and what elements of the building might pose a risk to their ability to function (e.g. lifts).

Expectation management for VCS groups

- Be prepared for cultural clash between community work and commercial landlord attitudes – good work does not equal good treatment or rates.
- Any toolkit needs to reflect different levels of needs and understanding, and the varying levels of responsibility that different sized groups could take on.
- Help explain to VCS groups that land is complex – council should be upfront and clear about this, and supportive of knowledge gaps.

Council staff - experience and allocation

- The majority of people that VCS groups spoke to were nice, but the system and structure they navigated was awful.
- Process of getting one building felt like the council teams were very inexperienced and multiple mistakes were made.
 - How can work like this be better allocated or staff be better trained?
 - Example of poor work around gas inspection – who are the council using to provide this service?
- One example resorted to contacting councillors, MP, leader of the council and chief executive – which they felt shouldn't have been necessary

- Council needs a role / framework or department that looks after VCS property – one officer has had to intervene several times with property department.
- In many cases these are expensive council assets with long term plans, so can more senior stakeholders be involved from the beginning?
- Day to day contacts for VCS groups need to be empowered with enough information to help with simple tasks.
 - Such as issues around simple building admin that led to multiple conversations with different teams.

Communication

Inter-department communication

- Issues around Sustainable Development not understanding what Communities team are up to, so priorities are not aligned.
 - Examples of wasted time and effort, and many duplicated conversations.
- Some groups talked about conflicts between elected councillors who were supportive of projects, and the officers who managed the actual process.
- Transfer of information between council and estate agents was confusing and complicated.
 - Need clarity on division of responsibility, and if information is provided to one, it should be available to the other to avoid delays.
 - Examples of building responsibility being transferred and keys being changed with no notice to preferred tenant.

Attitude around VCS spaces

- Look for reasons to support, rather than to not support, as shown in the way National Lottery Community Fund operates.
- Would like to see a shared desire to see project succeed, rather than council teams having to be chased and pushed.
- VCS groups are taking on liabilities and creating huge amounts of social value, and council should be supporting this rather than blocking it.
- Need a change in mentality to avoid issues arising.

Language and transparency

- A person-centred approach and less formal language would make the entire process better for all parties.
 - Is the jargon and formal language style a legal necessity?

Accountability and responsibility

- Be transparent around response times – some form of service level agreement perhaps, and some form of accountability / recompense for long delays.
- Holiday periods – be transparent and build in support capacity to avoid losing large chunks of time due to staff absences.
- Delays to projects, especially the granting of a lease, has big effects on funding streams.
 - Grant funders can't support VCS groups without it, and if capital projects are held up it can affect delivery of core activities, threatening viability of group as a whole.

- Many of the delays and issues experienced by one group were business critical, and other groups would have quit, collapsed entirely or gone on strike.
- Examples of understanding and supportive funders, but this cannot be relied upon.

Negotiations, disputes and feedback

- Groups found negotiating with council departments very difficult, and felt there was a lack of respect around questions and negotiation – especially if the group was receiving external support.
 - Does this also happen with commercial leases?
- Need to have a clear dispute process in place – what happens when things don't work, or relationships deteriorate?
 - Some groups managed to push through, but other groups won't be able to.
- Staff need to be open to feedback, both positive and negative, and there needs to be structures to receive it.
 - Multiple examples of groups feeling unable to submit constructive critical feedback without being penalised or creating aggravation.

Transparency

- Experiences shared of the council being very rigid in some areas and very flexible in others, depending on who you are speaking to or have connections with.
- One group we spoke to was given a list of possible spaces in upcoming developments thanks to prior connection.
 - This can embed inequality further - how can this be made more publicly visible?
- There is an understanding that buildings and planning are inherently not transparent, very complex – including issues around commercial sensitivity, covenants, absentee landlords and so on.
 - But can more be done to shift the status quo?
 - Needs political will and power to make changes.

Processes

Advance planning of space

- Groups need to be involved from the outset, and be seen as a crucial partner in making a space succeed, rather than a solution to fit other parties' requirements.
 - Examples of spaces being “designated” as new home for an organisation, but the rent was much too high, and was unfeasible.
 - At another proposed community space, there were too high expectations from council and developer of both financial and social return, which led to a lack of viable applications from potential operators.
- Spaces should be designed with VCS in mind, whether that's a specific organisation or more general.
 - How well do departments think about the size of these spaces, the rent needs, the service charges, before they come 'on stream'?
 - We need to implement VCS voice as early as possible.
 - Groups aren't always going to be told they don't have suitable capacity by the council – needs to be more honest and partnership based.

Preparatory checklist

- Provide more information and requirements up front, to see if an organisation is suitable before they invest time and resources.
- Encourage a skills audit of organisations and boards to ensure knowledge and experience are available – or signpost to services in advance.

Timeline / roadmap

- Many groups would like to see a full timeline of getting lease for the building to be prepared and made available to tenants during process, especially if granted preferred status.
 - Split into stages with expected timelines and deadlines for both parties.
 - Include descriptions of key departments involved in process and org chart.
 - Include areas to be discussed such as change of use application, to avoid wasted time and money.
 - Include details around official seals or other administrative tasks and build in timeline.
 - Where specific documents are required, agree format and style, such as if using council arranged survey or alternative.
 - Include areas where independent legal advice is suggested, recommended or required – and if possible, provide recommendations for providers.
 - Include clarity around service charges, covenants, and business rate calculations.
 - Include clear details on which party is responsible for what, in plain English to accompany formal lease agreements.
 - Include details about how spaces might be externally monitored or managed, with regular reviews and exit plans for future planning.
 - Include details around emergency and rapid response systems.
 - For example, around safeguarding and access to buildings.
 - If documents are required in a certain format or style there should be a template or example provided, such as business plans.

Information packs

- Packs provided to prospective and preferred tenants needs to be much more comprehensive, more than basic top line photos and floorplans.
 - Include info about boiler, electric reports, water tests etc.
 - Include details of who is responsible for what, and contact information.

Nominated contact or lead

- Preferred tenants to be allocated a specific contact person who can help navigate the council structure.
 - Case studies ended up having conversations with 30 or more people, taking up so much time and resource – rather than one person's time as a contact.
 - Would help improve attitude to be partnership working rather than adversarial
 - Would help tenants understand when capacity is tight or other internal issues that could affect timings, to streamline communications.

Type of lease provided

- One size fits all approach is unhelpful and dangerous.

- VCS groups cannot be given leases with expectation for individuals to take them on in their name.
- Template leases provided by different departments in one example were very inappropriate – e.g. a shopfront lease rather than community centre space, which they felt showed lack of experience or understanding.

Future planning

Finance

- Sustainability – groups need to make sure they can live in the building and this needs full clarity of costs, including service charges.
- New developer spaces – they asked for a lot of rent for not much space, not suitable for community work. Clear they wanted to shift it from class D to office space.
 - Rents they wanted to charge were stair-cased onto commercial rents – community organisations without a profit-making angle can't do this without squeezing everyone out.
- Community space should be structured around a community / social rent – needs a change in policy and attitude.
 - Community hubs should have some form of charge, but needs to be structured low rent.
 - Service charges should be kept as low as possible.

Social sustainability

- Social sustainability needs to be understood and planned in from the beginning.
 - How is this space going to work in 3, 5, 10 years?
 - Who is going to look after the space and keep it going in the long term – what if there are disagreements and community tensions?
- Don't leave this just in the hands of community, or just with the council but a combined partnership to ensure social sustainability.
- VCS groups and personnel can change quickly, so how can we build in extra capacity to maintain the space?
 - Could have a council officer running a space for the costs spent on consultations and tender.
 - Some figure acting as a manager, responsible to a committee made up of service users, charge a small amount for groups to do this.
 - Model of arms lengths management organisations – ALMOs.
 - Examples of situations with board of 1/3 council nominees, 1/3 tenants, 1/3 other (independents) with specific professional skills (eg finance, legal etc.)
 - Cooperative model is one way to do this, allowing people to purchase shares and invest in the space – but only having one vote. Attracts mixture of individuals and businesses.
 - Coop model has 11 principles which includes developing future leaders of community centre and training and development.

Social value

- Groups expressed a basic understanding of the concept and some management agreements have targets to hit, but none were tracking monetary value of these.
- There is interest in learning about model and trialling, but concerns around another administrative burden and risks of inequality of knowledge and capacity – especially between larger and smaller organisations.

- Concerns too about exploitation of this system by more established organisations who can ‘play the game’, without delivering what is needed.
 - Suggestion of a regulatory body made up of members from the relevant communities to manage social value money being given to areas.

Paying / supporting people to manage spaces

- The ‘free’ management of spaces very rarely works - you can’t take on responsibility of running a space without getting paid.
- Important to invest in communities, and skills to enable them to manage spaces and keep them going sustainability, to avoid boom and bust cycle.
 - There is a focus in other areas around ‘good jobs’, and getting people out of work – 50+, disabled and others – could there be a stream to train up estate residents and take on roles to help develop capacity?

Appendix 2

VCS Premises Case Studies

Premises managed by VCS for groups working on same theme – We Are 336

Core idea

- [We Are 336](#) (also known as Lambeth Accord) is a charity whose primary mission is to support disabled people and their organisations by providing an accessible disability hub building.
 - They provide accessible and affordable office space to disability, older people's and carers' charities, a small accessible conference centre, and a basement area for a range of activities including an arts space.
 - This includes providing 'seed-bed' opportunities at a peppercorn rent for start-up disability organisations working towards becoming registered charities.
- Their website lists 15 different organisations using their space.

Context

- The building was re-purposed from its original design as a warehouse and data storage centre, and redesigned in 1984 as office space and a conference centre.
- Four disability charities were the initial tenants, with only We Are 336 still in existence.
- Lambeth Accord was originally set up as a charity to increase opportunities for disabled people. When their model became unviable, they pivoted to maximising the use of the building, to help address the serious shortage of accessible office space in south London.
 - We have not yet been able to determine how the charity owns this space, which is obviously a big hurdle for replicating this model.

Community-led entity created to manage centre - The Selby Centre Tottenham

Core idea

- [The Selby Centre](#), located in Tottenham, is home to over 35 local VCS organisations.
 - It houses a mixture of charities and non-profit organisations, as well as businesses such as accountants, healthcare providers, care agencies, driving test centres, soft play and more.
- It is run by the Selby Trust, an organisation set up specifically to manage community facilities.
 - They aim to bring together a rich mix of individuals and organisations, primarily from BME, refugee and other historically excluded communities in Tottenham, Haringey, North London and beyond.

Context

- The building was originally a school, which was closed in 1983.
- Following the Broadwater Farm riots of 1985, a group of local residents and activists lobbied Haringey council and their local MP to give the local community in North Tottenham a space to organise and develop action networks
- In 1985 it was re-purposed as community centre, run by the local council until 1990, when it was taken on by the local community under the name of the newly-formed Selby Trust.
 - This was set up by local people who recognised the need for a multi-purpose centre led by the community and third sector organisations, and was supported by their MP, who had a vision for a place in the community that people could afford and call their own.

- They were given a 25 year lease from the council, and began with 20 tenant organisations.
- This has increased steadily over the years, and the centre now includes a sports hall, recording studio, and garden space, alongside the office spaces.

Other services

- The Trust runs a wide range of services. Alongside managing the venue's office, meeting rooms and events spaces, the Trust runs community development training courses, business training and networking sessions, and recycling and gardening initiatives.
- Their business training programmes include streams for non-profits, SMEs and start up businesses.
- The organisation now records an income of between £1.14-1.5million over last few years – the majority of which comes from 'other trading activities' (as per the Charity Commission website).

Funder managed spaces – Fivefields, Victoria

- The [Fivefields](#) building is a collaboration between two large foundations - the Westminster Foundation and Grosvenor Estate – and provides a flexible working space for charities, currently hosting 15 charities or non-profit organisations.
- It is located in Victoria and is managed by a B Corp (social enterprise) workspace provider called x+why.
- Westminster Foundation offers grant funding to pay for some costs (perhaps up to as much as 50% of the rent, but more clarity needed).

Tenants seem to be mostly large charities, including:

- London Wildlife Trust
- Youth Futures Foundation
- Creative Mentor Network
- Heritage of London Trust
- UK Youth
- Speakers Trust

CVS managed spaces – CVA and Sobus, Croydon and Hammersmith and Fulham

Croydon Voluntary Action

- [Croydon Voluntary Action](#) (CVA) manages 3 community buildings, in order to:
 - Provide affordable meeting and office space to charitable and community groups in Croydon
 - Support new and emerging groups develop their services at CVA venues
 - Provide local communities with access to services currently out of geographic reach
 - Provide local communities with affordable opportunities to engage in healthy living activities that enhances their well being
 - Provide a virtual office service for groups not ready to take physical space
- The CVA Resource Centre is a shared workspace building in the heart of Croydon, offering a combination of regular office space, hot desks and event/meeting rooms for hire.
 - They also offer a Virtual Office service, providing an office address for correspondence and administrative purposes.
- The Waterside Centre provides various spaces for rent including office spaces and meeting rooms, and a large Pavilion Hall and other spaces for hire.

- The Volunteer Centre Shop, located in the shopping centre, offers organisations the opportunity to use an open-plan office for meetings and volunteer recruitment events for small groups.
 - Across these three spaces they host 21 organisations, with a good number of regular weekly hires as well.
- They also help manage the CVA Active Communities Hub, a collaboration with the local shopping centre and London Sport, which makes use of a large unused unit where residents are encouraged to get active and improve their physical and mental health.

Sobus – Hammersmith and Fulham

- [Sobus](#) manage two large workspace buildings – the Dawes Road Hub and the Freston Road Hub.
- Dawes Road is a refurbished former school building that was purchased in 2011 by an organisation that was later merged into sobus – a legacy of the New Deal for Communities programme.
- Freston Road was purpose built and opened in 2018.
- Both offer affordable, bright, modern office space and meeting rooms for charities, social business and enterprise, with a mixture of long-term offices, hot-desking and one-off hires.
- They have a team of dedicated staff with many years of managing a range of corporate and community facilities.

Similar schemes, although varying in size and scope, are offered by Hackney CVS and Voluntary Action Islington.

New entity created by infrastructure groups to manage space – Community House Bromley

Core idea

- [Community House](#) provides a long-term home to 13 VCS organisations, including 5 core founding tenants, listed below.
- It also provides virtual tenancy services, alongside facilities for hire including workspaces, a café, meeting rooms and a conference hall.
- It is run by a dedicated charity - Bromley Voluntary Sector Trust (BVST).

Context

- The building was originally the borough's Magistrates Court.
- When a new one was built 60 years later, the local CVS body (the Bromley equivalent of Community Southwark) commissioned a study on how best to use the original Courts building, and assess whether there was a need for a community resource centre.
- At the same time, Bromley Council appointed a team of architects to assess the feasibility of creating a centre for voluntary and community activity.
- Both surveys found in favour the idea of creating a home and a hub for Bromley's vibrant voluntary and community sector, and work was started in 1999 to begin the conversion.
- A new charitable body, the Bromley Voluntary Sector Trust (BVST), was created to manage the building for the benefit of the community, and was awarded the lease in 2000.
 - Their website suggests this is at a commercial rent.
- There were five founding tenants of the building (listed under their current names):
 - Age UK Bromley & Greenwich
 - Citizens Advice Bromley
 - Community Links Bromley (the local CVS body)

- deafPLUS
 - Relate
- These groups helped shape the layout and design of the building, to ensure it was bespoke and fit for purpose.

Management

- The Trustee Board of BVST has both volunteer trustees, drawn from the local community along with representatives from the five founding tenants.
- The Board meets bi-monthly to oversee and direct the administration of the charity. In addition, BVST has appointed a Resources Committee drawn from the Trustee Board to assist with oversight and scrutiny of all financial matters.

Linking up community spaces and healthcare - Bromley by Bow Centre

Core idea

- The [Bromley by Bow Centre](#) is a community centre in Tower Hamlets, and was founded by a local priest, his congregation, and local volunteers. The congregation was shrinking, and rather than close, they decided to open up their buildings for the community to use.
- They formed a charity to deliver community services in child-care, welfare advice, and adult learning, as well as opening a café.
- In 1997 they opened the UK's first Healthy Living Centre and took over management of a nearby park.
- It now offers over 40 services and activities and a community research project, and is closely affiliated with Bromley by Bow NHS Health Partnership.
 - Services include a food pantry, social prescribing, employment and skills training, enterprise and start up support, energy and benefits advice, befriending, gardening and creative arts programmes, adult social care and more.
- They are a large organisation, with 72 staff and 110 volunteers
- They describe their space as “the open doorway to our broad offer of tailored support”, for example:
 - “People who drop in to pick up a fuel voucher may be gently encouraged to attend a session on household budgeting. They may spend time one-to-one with an adviser who can help them with better financial planning. We may be able to support them in reducing existing debt. There could be benefits or family support entitlements of which clients are unaware and which we can help them to claim. Or we may enable them to take a course of education, to gain skills that could lead them to better paid work.”

Healthcare

- In the mid-1990s, to address the needs they saw as not being met by statutory provision, they built their own GP practice, which by 1997 was delivering a new model of primary care focused on the social determinants of their patients' health.
- The goal is to empower and re-engage individuals in decisions about their own health care, and by combining a community hub with a GP practice and a research centre, people are supported with a variety of integrated services.
- The centre also incorporates nature in its health provisions for the community, with therapeutic horticulture aimed at adults with physical and learning disabilities as one of its flagship projects.
- The focus is on what is colloquially known as ‘health by stealth’, that incorporates social care teams and experts in key areas such as money management, welfare advice, and housing on site.

- They also champion social prescribing, streamlining referral to in-house expert non-clinical services that support patients with non-clinical, root causes of poor health.
- For context, the health centre was sold by the charity in 2022 to help clear debts, but they remain closely involved with it

Appendix 3

Other boroughs' policies: VCS Premises

The following pages set out an edited version of the VCS or Community Assets policies from our neighbouring boroughs of Lambeth and Lewisham, as well as Tower Hamlets.

Edits have been made for the sake of brevity and clarity, with the full policies and reports available via the references links provided.

Lewisham - Community Assets policy

Approved 18 Sept 2024

Lewisham have a Community Asset Policy, as part of a wider Asset Management Strategy

Aiming to better align community asset use with the Council's corporate priorities, and to strengthen the capacity and capability of VCS organisations to manage Council assets and hold them for community benefit. The policy make clear the council's:

- Awareness of importance of accessing assets at affordable rates and forming long-term partnerships.
- Acceptance that VCS are often best placed to manage assets in their local communities.
 - Use of volunteers and local knowledge and hands-on management of the asset is likely to result in lower overheads and better value-for-money, as well as a more intensive use of the asset.
- Understanding that asset can also provide a VCS organisation with greater financial viability and enable it to apply for external funding that is not available to the council.
- Belief in community management of assets empowering local communities, putting local organisations in control, encouraging pride of place and generating wealth in Lewisham's communities.

Lewisham identified around 50 assets used for community purpose – including community centres, office spaces, cultural spaces and outdoor spaces.

History

A review of assets was carried out in 2015, and 4 occupancy options were agreed, as follows:

- a) Sole Occupant (specialist organisation)
 - a. A premises used primarily by a sole organisation that can demonstrate the need for a specialist facility which cannot be provided in a hub or community centre. The organisation must demonstrate that it provides a high proportion of specialist services/activities which primarily support Lewisham's residents and the Council's corporate priorities.
- b) Voluntary Sector spaces
 - a. A space in a premises used by multiple VCS organisations, usually managed by an anchor VCS organisation. Organisations must offer general activities or a range of services of which a high proportion must support Lewisham's residents and the Council's corporate priorities.
- c) Community Centre
 - a. A premises used by multiple organisations and residents that meets the needs of the locality and/or a community of need. Organisations will provide a variety of activities that are informed by need. Activities must support Lewisham's residents and the Council's corporate priorities. Estate-based community centres must provide a high proportion of activities that are informed by and meet the needs of the estates' residents.

d) Sole Occupant (non-specialist organisation)

- a. The premises used by a sole organisation that cannot demonstrate the need for a specialist facility but does not wish to share a space in a hub or community centre. The organisation provides community activities, a low proportion of which address the local needs or support the Council's priorities. In these circumstances a commercial lease will be considered.

Inconsistencies remained in 2015, with many significant variations in tenancies, many of which have been long held and evolved over time and have not been reviewed. This presented big complexities in how they are managed and resourced, and around allocation, usage and responsibilities.

There are currently 5 tenancy types:

- Direct Management
 - Premises wholly managed and resourced by the Council. All income collected by the Council
 - Currently 4 assets
- Tenancy At Will
 - Short term rental agreement issued with the intention of the tenancy transferring onto a long-term agreement (in many cases this has not happened and an organisation can be on a Tenancy at Will for many years).
- Licence
 - Occupant pays rent and has the right to use a premises on set terms but not granted exclusive possession
- Premises Management Agreement (PMA)
 - VCS organisation manages the premises, organises hires and pay rates and utilities. No rent payment to the Council. The Council has responsibility for most repairs and maintenance.
 - Currently 10 assets
- Lease
 - Either internal or full repairing leases, the former of which the Council retains some repair responsibility. The occupant is liable for rates, utilities and management of the asset and pays rent which ranges between peppercorn, concessionary to a full commercial/market rate
 - Small number on full repairing lease

New approach

New policy aims to address these issues by setting out a fair and transparent process for the allocation, effective management and use of community assets by the VCS. Aiming to:

- Regularise tenancies
- Introduce fair rent setting and tackle concessions
- Ensure clear demarcation in responsibilities for repairs and maintenance
- Provide the VCS with strengthened and more secure tenancies, growing their capacity to access wider and long term funding opportunities.
- Create running cost savings that can be directed towards the Council's wider strategic objectives.

Officers are reviewing around 40 community assets to regularise their tenancy arrangements and ensure the most effective management arrangement is in place.

- Agreeing either a short or long lease with the existing tenant, where they meet the criteria set out in the policy.

- If no suitable or eligible organisation within the building, they will open an expression of interest process
- Where VCS organisations are already on leases, they are being flagged so that when their lease is next up for renewal they will be reconsidered in line with the new Policy.

The Policy sets out that the Council will transition away from direct and indirect management of its community assets.

Leases will replace all other forms of agreement where it is appropriate to do so (e.g. Tenancies at Will, Premises Management Agreements etc).

Freeholds will be retained unless there are exceptional circumstances

The key reasons for this include:

- The Council considers the VCS as best placed to fully optimise use of its community assets.
 - Regularising and strengthening tenancies would strengthen their status as the custodians of these assets and enable organisations to utilise buildings more effectively.
- Many VCS organisations are well positioned to explore longer term, sustainable funding sources that the Council cannot – but this cannot be done without long leases, as it is required by many major funders.
- The arrangements for repairs and maintenance for all Council assets (without full repair and insuring leases) are funded from insufficient budgets

Goal is well utilised, effectively managed assets whilst demonstrating the value provided. This value will be captured and measured once the implementation has begun.

Allocation criteria

To ensure increased viability and not liability, the Council will require its premises to be managed by robust and resilient VCS organisations.

The criteria below will be applied to assess capacity of organisations to manage a premises prior to issuing a new lease or renewing a current lease:

- Proportion of services/activities that align with the Council's corporate priorities and meet the general principles below
- The organisation's status (e.g. registered charity, Community Interest Company (CIC), etc); the robustness of their systems, governance and policies; and skill set and experience of the Directors and/or committee members
- The organisation's accounts/business plans, which evidences the sustainable management of the asset and does not incur future financial liabilities for the council
- The ability of the organisation to raise sufficient funds to address sustainability and building maintenance
- For estate-based assets, organisations will be asked to provide evidence that their activities are regularly accessed by the estates' residents and meet the needs of those residents.

Where the above criterion cannot be adequately demonstrated, the Council reserves the right to decide whether to allocate a lease, and seek expressions of interest from other VCS organisations.

Leases will be granted primarily to the main organisations currently managing the premises so long as they meet the assessment criteria.

Vacant community premises or spaces within community premises will be advertised to the VCS to ensure fair and transparent allocation of space.

Leaseholders of community assets will be expected to also fairly and transparently advertise available space.

Expression of Interest

Expression of Interest process will invite not for profit organisations with a strong connection to the borough of Lewisham and/or its residents' needs, to express their interest in taking on a lease for one or more community assets.

- An information pack will be provided which sets out the background and the council's aspirations for its community centres, the process for submitting a proposal, and information about each of the individual community centres.
- A form will gather information on the organisation, their financial model, their proposal for use of the centre and stakeholder engagement including existing tenants and hirers, amongst other things.

The new key principles state that community assets will:

- Serve the aspirations and needs of Lewisham's diverse communities
- Enhance social and community interactions and civil participation, including codeveloping the offer with the local community
- Be well utilised
- Be cost-efficient through their effective management by robust and financially resilient organisations
- Be embedded as part of the local infrastructure
- Remain open and inclusive to Lewisham's communities
- Used primarily for 'not-for-profit' activities and enterprise
- Meet the Council's strategic priorities

Leases

- The Policy sets out the general approach to leases, including lease length, type, use, rent, concessions etc.
 - Including flexibility, so that maximum benefit is achieved and enabling imaginative use of the space e.g. ability to sub-let part of the premises.
- They have created standardised Heads of Terms documents and repairing leases
- New leases will be granted outside of the Landlord and Tenant Act 1954 and include break clauses where appropriate.
- The length of lease will consist of either:
 - Short Lease - for less than 7 years
 - Long Lease - between 7-25 years
 - Where VCS organisations are already in situ, leases may be issued retrospectively but for no more than one year prior to the lease start date

The Council will offer two forms of lease:

Internal Repair and Insuring Lease (IRI)

- An IRI lease will be offered where a Full Repair and Insuring Lease may not be suitable (e.g. short lease, or shared building).
- The managing organisations will be expected to retain responsibility for all internal parts of the premises (including all repairs and maintenance) and all associated management costs (e.g. utilities, insurance, rates, etc.).

- The Council will retain responsibility for the external repairs and maintenance to the fabric of the building.

Full Repair and Insuring Lease

- Managing organisations will be expected to retain full responsibility and all associated costs for the premises (including management, insurance, repairs and maintenance, utilities, rates, compliance and core costs).

In both cases the managing organisations will be expected to pay a rental income, which will be determined by a premises valuation and concessions process set out below. They will have the right to use the building for income generation purposes in line with their charitable / constitutional status.

Rent and concessions

It is recognised that the ability for some VCS organisations to pay commercial rents is complex and many may need time to position themselves to meet this expectation.

When determining rent setting, the following will be considered:

- The premises or space(s) occupied
- Organisations' income from its audited accounts
- Rent valuation
- Assets' large repair requirements (e.g. roof, lifts, boilers, etc.)
- Affordability (for the Council) to let the asset at a concessionary rate

Based upon the outcomes, organisations will be offered one of the following rents:

- Peppercorn rent: Nominal rent payment (for a maximum of 5 years only)
- Stepped rent: For those transitioning from a peppercorn rent or those who cannot afford full rent, their individual circumstances will be assessed.
- Community rent: based upon community premises valuation
- Commercial rent: based upon market value for organisations that do not the assessment criteria above (i.e. potential non-community use).

Rent for general community use will be referred to as 'community rent' and is currently set at £5 - £10psf (dependent on location, use and quality of accommodation) and will be reviewed periodically in line with market conditions.

Once the peppercorn rent period has expired, VCS organisation will be expected to have positioned themselves suitably for the transition onto a stepped, community or commercial rent level based upon their ability to do so.

It is expected that all VCS organisations with leases will work towards a community premises or commercial rent level.

Rent reviews will be standard in all leases.

The Council may consider rent concessions where:

- The premises accommodate other Council run services (i.e. Adult Social Services)
- Where a VCS organisation occupies premises in need of significant repairs and takes full responsibility for all required repairs and maintenance alongside other associated costs – in this case a rent-free period in line with the individual circumstances will be set.

- The Council wishes to retain an empty building for meanwhile use but is unable to attract an occupant who can pay full rent

Concessions will not to be applied where:

- A sole occupant of a premises provides little or no activities which support the Council's corporate priorities,
- The premises do not require major repairs, and/or,
- The occupant has an income and / or financial reserves which are deemed to be substantial and adequate to afford a non-concessionary rent.

Concessions may be refused or withdrawn if:

- The managing organisation is another public sector body that does not have shared colocation arrangements in place with the Council
- The concessions outweigh the benefits obtained by Lewisham's residents or by addressing the Council's priorities
- The managing organisation's financial situation improves considerably to justify revoking or limiting the concessionary rate
- In circumstances where the managing organisation does not fit any of the above criteria, the Council reserves the right to decide if it applies concessions.

Repairs and bills

- The leases will include clear demarcation lines for the repairs, maintenance and associated core costs.
 - Where costs for repairs are substantial, these will be assessed and reflected within the rent setting process.
 - Likewise, if an organisation has contributed substantially to the repairs of a building prior to a lease being issued, these costs will also be considered as part of rent setting.

Where managing organisations with FRI leases are not in the position to address major repairs within 5 years of a lease being issued, the Council will either:

- Review the managing organisation's overall capacity to address the repairs
- Support the managing organisation to raise the funds from external sources (e.g. partnership letters of support)
- As a last resort, consider alternative options for the management of the premises

VCS organisation will be responsible for all Planned Preventative Maintenance (PPM), compliance checks and statutory testing (including but not limited to fire, asbestos and legionella).

The organisation can choose to 'buy-in' to the Council's PPM provision, where costs will be recharged annually.

The tenants will designate a "site responsible person".

A building inspection checklist and all building management paperwork will be provided to the tenant at the start of a lease.

VCS organisations taking on leases will be eligible to use the Council's energy contract to benefit from reduced rates.

The Council will insure the building and recharge the tenant. The tenant will be responsible for contents, public liability, employers liability insurances plus any other insurances required.

VCS organisations will be responsible for all other outgoings, such as business rates, cleaning, security, pest control, administration and staffing, water etc.

There may be occasions where organisations lease part of a premises. In such cases, they will be expected to contribute their fair proportion of all associated costs including repairs and maintenance, compliance, utilities and rates. Such costs will either be charged directly as a service charge or be reflected within the rent charged by the Council or by the managing VCS organisation.

It is expected that VCS organisations will, where it is appropriate to do so, oversee the full management of a premises including all other organisations renting spaces within the building, which may include transfer of sub-leases.

Leases will, in most circumstances, allow sub-letting of part of the premises for ancillary and complementary activities to enable sustainable income generation for the organisation.

The lease will clearly state the use which will protect the asset being used for community purpose now and in the future. Leases will be accompanied by the Community Assets principles set out in above.

Leases will contain suitable clauses to ensure the return of the asset to the council if the terms of the lease or Community Assets principles are not met, or in the case of dissolution, insolvency or corruption.

VCS organisations will be required to release their building for use as a polling station and rest centre if required by the council; and by mutual agreement a set number of ward, community, Planning and Cllr surgery meetings run by the Council, for free.

Each party will be expected to cover its own costs when entering into a new or renewed lease arrangement.

Organisations occupying community assets should also declare any concessions obtained from the Council (e.g. subsidised rent, grants, rate relief, etc.) when applying for other forms of Council funding, commissioned contracts or tendering for any Council services. This is to ensure that organisations in receipt of other concessions do not obtain unfair advantage during tender, grant or other such assessment stages.

Management and monitoring

The Council will monitor community assets to ensure it is meeting defined priorities, including

- Annual (or six monthly where required) monitoring against Community Asset Principles
- Ongoing support from the Community Development team, signposting to sources of advice, funding and information
- Annual compliance check by Council's Health and Safety team – any rectification work will be the responsibility of the lessee however support and advice will be provided. This compliance check won't replace statutory checks.
- Annual lease review

References:

<https://councilmeetings.lewisham.gov.uk/documents/s116364/Community%20Asset%20Policy%20PART%201%20report.pdf>

<https://councilmeetings.lewisham.gov.uk/ieListDocuments.aspx?CId=139&MId=8375>

History

VCS occupations have evolved over time with some paying rent, some paying no rent and others paying reduced rents.

This has led to a position where:

- there is little transparency or consistency in the management of the portfolio
- responsibility for repairs and maintenance is not always clear
- there is a lack of investment in the buildings
 - sometimes led to poor standards of Health & Safety with the associated risk to building users and reputational risks for the Council.

Currently the subsidy is not distributed equally, with some VCS tenants paying rent (at varying levels per square foot) whilst others pay none.

Context

Clear need for a sustainable, vibrant third sector in the borough, and best use of assets was a key theme within the VCS Strategy.

Shared endeavour has been a recurrent theme: stronger partnerships among the sector, with the council and other borough partners has made a real difference to so many Lambeth residents.

Pre Covid there were estimated to be over 1,500 VCS groups in the borough which means that only a very small number (fewer than 7%) enjoy Council owned premises and a rental subsidy.

Most groups source their premises privately and pay market rent.

A continuing series of applications for space from the sector indicates a continued demand for accommodation.

In addition to the benefits of a dedicated portfolio this strategy retains the provision of an annual rental subsidy to the sector in excess of £800,000 per annum.

Unfortunately, it is not sustainable for the Council to provide a rental subsidy to all VCS organisations in the borough.

Strategy development

The early phases of the VCS Asset Strategy were developed through the Council's Property Subgroup of the Lambeth VCS Partnership Group.

The Lambeth VCS Partnership Group comprised a reference group of 25 local VCS organisations that contributed to the development of priorities for the sector.

There was an appeal from the sector for:

- a more co-ordinated and proactive approach to affordable and available VCS property across the borough

- improvements to tenure for the VCS to allow property to work sustainably and flexibly
- provision of clear information about accessing premises.
- better support, information, and training on how to manage community spaces well with clear responsibilities

Overarching themes:

- fairness
- transparency
- consistency
- accountability
- clarity

New approach

A new policy covered the VCS portfolio of approximately 49 properties totalling approximately 85,000 sq. ft. of accommodation

Tenants Halls, properties held on long leases and properties held in Youth & Play are outside the scope, but will benefit from the improvements in support, information, and training.

The policy will:

- strengthen the sector by providing a portfolio of well used, fit for purpose affordable VCS premises, available at a subsidised rent
- provide clarity around availability of premises, access to affordable accommodation including publication of details, with a transparent application process, when vacancies are available
 - provide a waiting list to ensure that all VCS organisations seeking accommodation will be alerted to opportunities.
 - support sharing of premises to increase the availability of accommodation
- support a sustainable model for funding future repairs to premises
- encourage well utilised spaces delivering services and activities aligned with the objectives of the Borough Plan.
- be underpinned by the introduction of a social value process and supported by a new VCS assets liaison officer
- include a standardised VCS subsidised rent matrix that recognises differences in location and size of premises across the portfolio.

The strategy includes:

A dedicated portfolio of subsidised premises reserved for the VCS

A sustainable approach to maintenance and repair

- The condition of many of the properties in this portfolio is currently unsatisfactory and there is a requirement for backlog maintenance to be carried out to ensure both the safety of the premises and those who use them.
- Funding of £2.25m has been identified and a programme of works will bring the properties into a fit for purpose condition over a three-year period.
- New lease terms clarify the respective responsibilities between the Council and occupier.

- Tenants take responsibility for internal repairs and maintenance together with operating costs while the Council (as landlord) takes responsibility for external repairs including the roof.
- The Council will also commit to funding periodic capital replacement items when required, as long as regular maintenance has been undertaken.
 - This strategy maintains the existing level of income achieved from this portfolio, in order to support the Council's commitment to undertake future capital repairs
 - Priority given to Health and Safety works, but will include energy efficiency works where possible
- It is not anticipated that organisations within this portfolio will seek grant funding for capital investment in premises, but rather that focus is on delivering social value for residents of the borough.

The VCS Letting Policy, including lease terms and the rent matrix

- Consistency will be provided by a standardised VCS Letting Policy and Community Lease, but will include flexibility to respond to circumstances
- Policy will also support the provision of flexible affordable accommodation for the wider VCS, particularly smaller organisations through encouraging the sharing of premises
- A fair subsidised rent will bring to an end historic imbalances
 - The proposed reductions recognises that all VCS occupiers are valued equally but that buildings in better locations are more suitable for income generation and larger buildings have a disproportionately high operational cost burden.
 - These were agreed by the Council and the sector, avoiding subsidy being based on the comparative value of one organisation over another.

The Social Value Self Evaluation Tool

- This tool has been brought in to meet sector's requests for transparency about the use of assets. It will:
 - will be used for annual reporting on-line
 - place an obligation on VCS occupiers to demonstrate the social value impact or benefit they bring, and their contribution to the delivery of the Future Lambeth Borough Plan Goals and the VCS Strategy aims.
 - make information about the subsidised organisations and the social value they deliver available to residents and the VCS Sector
 - increase the visibility of the services offered, hours of operation and other useful information for residents.
 - foster sharing of premises with other VCS occupiers and delivery of Council and borough priorities.

The VCS Panel

The terms of reference are being developed, but the intended role of the VCS Panel is:

- to ensure cross sector relationships are promoted and developed
- to improve trust between the council, other public sector partners and the voluntary and community sector
- to support a partnership approach to the delivery of the property and social outcomes sought
- to provide oversight where issues in the landlord and tenant relationship are not resolved through the standard support mechanisms

The Panel's function will be to look at challenges faced by tenants in the round and not with a sole focus of premises.

Where relevant the borough VCS support provider will also help with capacity building across a range of potential areas i.e. developing a strengthened financial strategy, bid writing support and networking opportunities.

The VCS Portal and the VCS Asset Liaison Officer

- The Asset Liaison Officer and the Portal will:
 - Meet the requests for better support, information, and training on how to manage community spaces and clarity on responsibilities.
 - Provide a single point of contact at the Council
 - Improve and develop relationships with tenant organisations to improve sustainability
 - Provide guidance or signposting on property related issues
 - Support tenants in using and managing property well, ensuring good maintenance regimes, H&S compliance, and timely rent payment
 - Delivered through early intervention and agreed action plans and signposting to support and guidance
 - Legal action will be a last resort and taken in consultation with the VCS panel
 - will include insight and intelligence gathering on the VCS portfolio, increasing the Council's understanding of the issues the sector faces and what the sectors needs are, enabling early intervention and resolution.
- The full scope of the portal is still under discussion, intention is for it to host the Social Value reporting tool, alongside signposting to resources, guides and information that support and strengthen the sector.
- will be crucial in building relationships between the VCS tenants and the Council and dealing swiftly with property management queries. This is a new approach that will better enable the Council to support the tenants, manage the portfolio and head off any issues, providing a smoother, more responsive service.
- will have the greatest impact on those organisations that face new rental payments or face rent increases. To reduce the impact and provide time to adapt it is proposed that the payment of rent will be phased in with no rent increases in the first year of the policy and stepped increases for four further years.

Finances

- The portfolio of 49 properties currently contributes approximately £290,000 per annum of rental income to the general fund.
- The market rent for these premises is estimated to be £1.2m per annum producing a subsidy of circa £900,000 per annum.
- A basic rent level has been set at a level which, in addition to maintaining the existing level of rental income from these properties will fund a new post to support the Council's relationship with the VCS portfolio tenants and provide business coaching for the first six years.
- This policy will result in a reduction in rent for 21 VCS groups and an increase in rent for 18 groups (the remaining properties are vacant).
 - Following the consultation process, a longer transition period of six years is being proposed for those users facing rent increases.
 - Those facing decreases will receive the reduction immediately.

- The delay in implementing the full rent increase will result in an income gap over the six years that totals £1.075m which will be funded from an earmarked reserve.

The Rent Matrix

- Baseline VCS Rent £5.75psf
- Quantum Reduction (25%) £4.31psf
- Location Reduction (15%) £4.89psf
- Both Reductions (40%) £3.45psf

The Quantum Discount of 25% will be applicable to premises over 1,000 sq. ft.

The Location Discount of 15% will be applied to premises located away from main roads and the best public transport links.

References:

<https://moderngov.lambeth.gov.uk/ieDecisionDetails.aspx?ID=7952>

Tower Hamlets - Community Premises Portfolio and Community Benefit Rent Reduction Scheme

Adopted March 2021

Core idea

- Tower Hamlets council has 70 premises that it rents exclusively to voluntary and community organisations. These premises are described as the Community Premises Portfolio.
 - These premises' primary function is "supporting local VCS groups to provide facilities and services for the community, rather than to generate a commercial income."
- As such, they may be leased to recognised VCS tenants at the council's standardised 'community rent', currently £14 per annum per square foot.
- The tenant may also be eligible to be considered for the council's community benefit rent reduction scheme (CBRR).
- The council estimates that the VCS in Tower Hamlets comprises approximately 1,300 groups – similar in number to Southwark, with a similar population of 310,300 to Southwark's 307,600.

Rent reduction

- This Community Benefit Rent Reduction scheme can give a rent reduction of up to 80 per cent to organisations that meet its requirements.
 - Organisations that do not meet all the requirements may still get 40 or 20 per cent rent reduction.
- To be eligible for CBRR, an organisation must:
 - Occupy premises listed in the council's 'Community Premises Portfolio' with a lease of three to five years.
 - Be community led.
 - Show good governance.
 - Embrace diversity, work to improve community cohesion and reduce inequality.
 - Be capable of managing a building.
 - Be willing to share space.
 - Show how their activities contribute to the Tower Hamlets Plan outcomes.
- Groups can apply for it, but will be tested on the skills, knowledge and capacity to run the building, such as:
 - If it can manage the building sustainably over the term of the lease.
 - How it engages with the community it serves and seeks feedback.
 - How it embraces diversity and community cohesion.
 - How it will use the space efficiently and intensively.
 - How its activities and use of the building will deliver clear and evidenced social, economic, and environmental benefits.
- The CBRR award is treated as a grant, which is monitored each year.
 - If the value of the CBRR exceeds £20,000 per year, organisations must fill out a Social Value Self-Assessment Tool.
- Where the building will be hired out to other organisations, community groups or local residents the organisation must either have or be working towards achieving a quality mark relevant to managing premises that will be used by others.
- The final decisions will be made by a panel comprised of:
 - Head of Revenue Services (Council).

- Head of Corporate Strategy & Policy (Council).
- Head of Asset Management (Council).
- Chief Executive, TH Council for Voluntary Service (equivalent to Community Southwark).

Other properties

- The council maintains a separate list of premises available at commercial rates. VCS organisations are still eligible to apply for those, but will not get the discounted rates.
- In exceptional circumstances the council may agree to premises being added to the community premises portfolio. The to be considered the premises must:
 - Be currently occupied by a VCS organisation.
 - Be different in nature from premises where the council would expect to generate a commercial income, and not be required by the council for offices or direct service delivery.
 - Not be used for the delivery of statutory services through a public service contract.
- New premises that come into the council's ownership designated for community use, such as premises passed to the council through s106 agreements, that do not already have a specified use may be considered for inclusion in the community premises portfolio.

These policies enable the council to:

- Meet the current legal requirement to secure both best value and best consideration.
- Make the basis of any subsidies clear and transparent.
- Ensure that community premises in the council's ownership are fit for purpose, particularly as regards health and safety and preventative maintenance.
- Recover the costs of maintenance and repair of premises, or make clear where responsibility for these lies with the tenant.
- Demonstrate a fair, consistent and justifiable approach to letting premises to voluntary and community sector organisations.
- Maximise the utilisation of community premises conducive to optimum local benefit, encouraging shared use of premises where possible.
- Formalise tenancy agreements based on standardised contractual models.
- Reduce the amount of council management time spent on running community assets.

References:

- https://www.towerhamlets.gov.uk/lgnl/community_and_living/voluntary-and-community-sector/Premises/Community-premises-to-lease.aspx