**LBC Policy on allocation and rent of community properties, rent subsidy and discretionary rate relief for the VCS: Response by Croydon Voluntary Action**

**1. Towards an Integrated Approach**

1.1 CVA agreed to work in partnership with the Council in the early 1990s to, in keeping with the current policy, *spread the benefit (of premises support) as widely as possible across the VCS*. CVA does this by hosting VCS accommodation centres on behalf of the Council at which, thanks to the associated subsidies, we are able to offer affordable rents to a wide cross-section of VCOs. In doing so CVA achieves significant social value – by enabling partnership working between VCOs within a vibrant community environment, by providing capacity building support for groups using the centres and by linking the centres up within their local community. Through its partnership with CVA the Council has consistently worked towards the *integrated approach to VCS premises* which this policy now builds on. The Council’s premises support for the VCS has been showcased over the years – within successful Beacon Awards, at strategic partnership meetings (most recently the Stronger Communities Partnership) and on the occasions when CVA has been asked to present nationally on Croydon’s successful model of VCS premises management.

**2. Council Support**

2.1 In conceding that there has been *no policy or procedure for determining which organisations should benefit* the Council should nevertheless take credit for having supported a wide range of deserving groups. These groups (unless the Council identifies exceptions) were not chosen at random, rather – as the Council now intends in relation to community asset transfers – *through discussion with specific groups identified as suitable occupiers for the space concerned*. As a result the *availability of affordable premises* – presenting a major challenge for VCOs long before it was flagged in the 2019 VCS Strategy - has been a distinguishing feature of Croydon Council’s support for the VCS. The Council has supported the VCS to meet the challenge by partnering with CVA to make community spaces like Cornerstone House and the Waterside Centre both affordable and accessible. In respect of other Council premises hosting VCOs, CVA is not aware of any *not being used appropriately* by the VCS. Had they been, the Council would obviously have intervened – policy or not.

**3. New criteria**

3.1 Looking forward CVA supports the Council’s intentions to clarify its criteria for rent subsidies and to step up its monitoring of how well Council properties are used. The information gained will demonstrate the full benefit of subsidising properties for VCS use. Using our own example, this year CVA hosted over 200 community groups across its VCS centres delivering a wide range of activities and services - these included therapy groups; kung-fu classes; IT training; yoga classes; residents’ meetings; play groups; youth clubs; outreach clinics; breakfast clubs; church services; refugee-support groups and day centre activities for older people.

3.2 As mentioned CVA already sublets to VCOs in its Council-owned premises, charging well below market rent values but enough to support a management model that delivers efficient, community-led hubs that meet all their running costs. Under the new policy organisations should be encouraged to share spaces in this way – with competitive rents that cover their costs. The Council will be aware that making space available outside of normal use hours (e.g. weekends or evenings) by other users will require additional resources by any organisation managing the premises, including costs for cleaning and security. The cost of managing premises 7 days a week, 365 days a year may not be manageable for some VCOs, with the costs outweighing any income received from sharing the premises.

3.3 CVA agrees with the Council’s decision to focus its funding as outlined in section 3.1.1 – on VCOs *with biggest community impact and greatest need*. This clearly should not preclude the Council from continuing to subsidise currently-supported organisations – where they deliver on strategic policy outcomes. Equally it may be counter-productive to *spread the benefit of the funding as widely as possible, offering opportunity to organisations that have not received funding to date*. Transparency is long overdue, but the Council should continue to be strategic in targeting its support at those groups making best use of the premises – whether they have been subsidised before or not. The Council will be aware that most of the currently-supported groups will be unable to pay market rents without going into deficit – CVA being a case in point in relation to Cornerstone House and the Waterside Centre, where without the subsidies our only option would be to charge higher rents: which would of course defeat the objectives of this policy. The options for VCOs in Croydon that are moved from peppercorn to market rents are not good – they will either need to shift resources away from their service-delivery (disadvantaging their users); drain their reserves (displaying poor governance); pass on the costs by sub-letting at market rates (disadvantaging other VCOs); or build the costs into funding bids (making them less competitive and less likely to leverage external funding and/or more likely to shift the costs on to other Council funding programmes).

3.4 In prioritising organisations *with the greatest financial need* the Council should not overlook how much capacity it takes to manage properties that meet Council priorities effectively. Again using our own example, CVA has spent capital expenditure from its reserves to ensure that its Council-owned properties have been properly maintained over the years. Smaller VCOS will need support in keeping up to date with the latest electronic and security facilities - such as CCTV, electronic entry systems, wifi, networking, photocopying facilities and telephone and presentation systems.

3.5 In relation to the areas of greatest deprivation, the Council will appreciate that some VCOs serve communities that are disadvantaged or serve residents from deprived areas without their premises being located in a deprived area. How the premises are used and the impact it has on the community should be more important than where the actual building is located.

3.6 CVA agrees with the eligibility criteria for rent subsidy at 6.1.1 – although we question the second bullet-point in section 5 that excludes *organisations wholly or mainly subletting the premises to other organisations*. This could be read to include CVA’s management of the premises at Cornerstone House and the Waterside Centre where CVA has been in partnership with the Council for going on 30 years, winning national awards along the way for its management model. CVA continues to be commended by the Council on the benefits it achieves by sustaining vibrant community hubs of activity at both Cornerstone and Waterside and indeed, the next section (6.2.1) reaffirms that *additional priority will be given to eligible VCS organisations that make the most intensive use of and share their premises, to critical services, and to smaller organisations* – matching CVA’s business case. To avoid confusion, the wording in section 6.1.1 (5) may need revisiting.

3.7 CVA agrees with the scoring system set out in section 6.2.1. However, exceptions to the rule on *ability to pay* should be considered – using our own example again, CVA’s income may be above the threshold but its application could still be prioritised on the basis of how widely the benefits are spread to the large number of VCOs supported in its centres.

3.8 At 6.2.3 there is a conflation of the aim to *enable VCS organisations to become less reliant on council funding* with the goal of *obtaining funding from other sources*. A word of caution – in CVA’s experience the Council’s premises support for local groups is a major factor in their fundraising success. With the competition for external funds at its height, Croydon VCS bids are strengthened when the overheads are kept low.

3.9 Section 6.3 rehearses the circumstances under which rent subsidies might be reduced over the three-year term. This prospect threatens the security and longevity that VCOs struggle so hard to bring to their service-planning. Further down, in section 8.4.4 of the policy, the Council recognises that annual evaluations will introduce *uncertainty for organisations year-on-year*. This uncertainty is anathema to the VCO trying to build sustainability into its planning and operations.

**4. Community Asset Transfers**

4.1 CVA welcomes the Council’s openness and flexibility on community asset transfers (section 7) – and its invoking of that targeted approach that has served the Council and VCS well historically (*discussion with specific groups identified as suitable occupiers for the space concerned*). In the interests of sustainability and continuous improvement however, the Council should regard more positively the renewal of leases where eligibility criteria is still met and best practice still evidenced.

**5. Discretionary Rate Relief**

5.1 As with rent subsidies, discretionary rate relief (DRR) offers the Council a clear and progressive option by which to excel in creating the environment for a thriving VCS. CVA trusts that the Council’s very welcome intention to open the process up to new applicants is not achieved at the expense of deserving VCOs that currently receive support. It is not clear why organisations applying for more than one property are disadvantaged. Surely, for example in the event of an application covering two properties in target areas, each property should be assessed for DRR on its own merits.

**6. Resource Implications**

6.1 Finally, the Council’s Estates Team, supported by forerunners of the Communities Team, has been practicing rent subsidy and discretionary rate relief support in Croydon for over 30 years. On this policy’s resource implications, the Council will hopefully confirm that its implementation – for example in relation to the levels of monitoring required – will not result in the VCS budgets being accessed to pay for more officer time.

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**Chief Executive**

**CVA**