

MAYOR AND CABINET			
Report Title	Response to referral from Safer Stronger Communities Select Committee on Main Grants Programme: support given to voluntary organisations around premises		
Key Decision	Yes	Item No.	
Ward	All		
Contributors	Executive Director for Community Services, Head of Law		
Class	Part 1	Date:	18 May 2016

1. Purpose of Report

- 1.1 The purpose of this report is to provide a response to the views and comments of the Safer Stronger Communities Select Committee discussions held on 19 January 2016.

2. Recommendations

- 2.1 Mayor and Cabinet is recommended to agree the response go back to Safer Stronger Communities Select Committee.

3. Policy Context

- 3.1 Lewisham has a long history of working with the third sector and empowering residents and communities. The Sustainable Community Strategy sets out the Local Strategic Partnership's commitment to creating a borough that is:

- **Empowered and Responsible:** where people are actively involved in their local area and contribute to supportive communities.

- 3.2 This is reflected in Lewisham's Corporate Priorities:

- **Community Leadership and empowerment:** developing opportunities for the active participation and engagement of people in the life of the community.

- 3.3 Lewisham is fortunate to have a diverse third sector which ranges from very small organisations with no paid staff through to local branches of national charities. As well as being directly involved in delivering services to citizens in the borough, third sector organisations also provide the essential infrastructure to allow the sector as a whole to develop and support individual citizens to be able to play an active role within their local communities.

4. Referral

- 4.1 On 19 January 2016, the Safer Stronger Communities Select Committee considered a report entitled Main Grants Programme 2016-17. The Committee resolved to advise Mayor and Cabinet Contracts of the following:

- 4.2 The Committee noted that ‘the Council provides support to organisations in a number of different ways, including providing repairs & maintenance, rent grants, main grant funding, peppercorn lease arrangements and so on’
- 4.3 The Committee is concerned that there is a lack of transparency about which voluntary sector organisations receive the support listed in paragraph 4.2 above. This can create difficulties for voluntary organisations who may not be aware of the financial value of the support they are receiving and the risk to their organisations if this support would fall away.
- 4.4 The Committee feels detailed information about this support provided to voluntary sector organisations should be made available to Councillors, voluntary sector organisations and the wider public. The Committee feels that Mayor and Cabinet should encourage the creation of an asset register for this purpose.

5. Background

- 5.1 The assets work during 2015 was undertaken in order that the council have a transparent and fair framework for the council’s use of assets to support the voluntary sector. In April 2015 the Mayor and Cabinet considered the outcome of a three month consultation with the voluntary and community sector on a new framework for the council’s use of assets to support the sector. Following on from this the Council developed and consulted on a voluntary sector accommodation plan which was agreed by Mayor and Cabinet in July 2015 and November 2015.
- 5.2 This plan sets out the approach to ensuring a fair and transparent use of council assets in supporting the voluntary sector; alongside meeting the council’s need for housing, school places, and budget savings. Officers are in the process of implementing this plan.

6. Use of council assets to support the voluntary sector

- 6.1 The framework for the council’s use of assets to support the voluntary and community sectors that was agreed in April 2015 by Mayor and Cabinet sets out four categories for VCS assets as follows:
- **Sole occupancy of a building (not at full market rate)** – This is a building, wholly or predominantly utilised by one VCS organisation. In order for an organisation to have sole occupancy of a building it would need to demonstrate a need for specialist facilities that could not be provided elsewhere and/or within a shared facility. The organisation would need to demonstrate that it can’t afford full market rate. The organisation would also need to be delivering services that meet our priorities.
 - **Voluntary and Community Sector Hub** – This is a shared building with all inclusive affordable rents. This would be the preferred category for organisations that are providing services that meet our priorities (and cannot demonstrate the need for specialist facilities above). The Hubs will provide office and meeting space. Activity space where appropriate and possible may also be provided, otherwise this would need to be hired elsewhere.

- **Community Centre** – This is a neighbourhood based facility with activity space that is predominantly geared towards providing services at a neighbourhood level. Following consultation a plan to rationalise the number of community centres was agreed by M&C in November 2015. A set of core community centres that will receive some form of subsidy from the council in relation to reduced rent, repairs and maintenance support or through direct management was agreed. A further set of centres were approved where the council felt that other provision was available but a case for continued community use but with less financial support had been made by community organisations. Other centres were approved for closure or designated for childcare and removed from the community premises portfolio.
- **Sole occupancy of a building at full market rate** – This is for larger VCS organisations that can afford to pay full market rates, for those that are not delivering services that meet our priorities or for organisations that are delivering services that meet our priorities but that do not wish to be housed within one of the VCS hubs. These organisations would still be able to access buildings (where available) on the Council's standard letting terms and conditions.

6.2 Appendix 1 lists the current community assets portfolio by category above. Support to each asset varies dependent on circumstances, and includes the following:

- **Repairs and maintenance support:** this varies depending on whether the building is directly managed by the council (all repairs done), is on a management agreement (some repairs are done) or a lease (repairs are the responsibility of the tenant). The management agreement for premises is currently being reviewed and will include a clearer guide for how repairs and maintenance responsibilities are split between the council and the premises management organisation.
- **Rent support:** this varies depending on whether the building is directly managed by the council (therefore no rent payable); is on a management agreement (no rent payable) or a lease (varies dependent on terms of lease). The appendix notes if rent is payable currently. Where the council seeks to change an arrangement with an organisation consultation and negotiation would take place.
- **Rent grants:** Four organisations currently receive rent grants, as agreed by Mayor and Cabinet as part of the Main Grants programme 2016/17. Rent grants cover the cost of some or all rent payable under the lease terms and is an internal transfer of funds between departments. The four organisations are outlined below:

Organisation Name	Rent value for 2016-17
Ackroyd Community Association	£13,250
Downham Community Association, Wesley Halls	£29,700
The Midi Music Company	£10,500
Lewisham Young Women's Resource Centre (LYWRC)	£12,000

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- **Discretionary rate relief support:** organisations who have charitable status and receive the 80% mandatory relief from central government (with a couple of small exceptions) are eligible to apply for 20% discretionary relief, awarded by the council on an annual basis. More detail on eligibility can be found here:
<http://www.lewisham.gov.uk/myservices/business/businessrates/business-rates-reductions-and-relief/Documents/Discretionary%20rate%20relief%20policy%20October%202013.pdf>

6.3 Officers accept the recommendation for a register of assets and this report, and appendix 1 specifically, is the first step towards that. As the implementation of the voluntary sector accommodation plan agreed by Mayor and Cabinet in July 2015 and November 2015 is progressed the register will be amended and updated.

7. Financial Implications

7.1 There are no financial implications related to this report.

8. Legal Implications

8.1 Under S1 of the Localism Act 2011 the Council has a general power of competence to do anything which an individual may do unless it is expressly prohibited.

8.2 The giving of support to voluntary organisations is a discretionary power which must be exercised reasonably taking into account all relevant considerations and ignoring irrelevant considerations.

8.3 Under Section 123 of the Local Government Act 1972, the Council is required to obtain best consideration for the disposal of its assets. Any disposal at less than best consideration requires Secretary of State's consent. This includes the grant of any lease for longer than 7 years. The requirement does not apply to the grant of a lease for less than 7 years. However, the Council is still required to act reasonably in agreeing lease terms and to have regard to its fiduciary duty to the Council Tax payers. The proposed approach is designed to ensure that where a building is let other than at a market rate, this will be justified by the delivery of services that meet the Council's priorities.

8.4 The Council will only be able to require existing organisations in Council assets to be moved to the new model or relocated where the Council is legally entitled to terminate the existing occupancy arrangements or agreement is reached on a voluntary basis.

9. Equalities Legislation

9.1 The Equality Act 2010 (the Act) introduced a new public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

- 9.2 In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - advance equality of opportunity between people who share a protected characteristic and those who do not.
 - foster good relations between people who share a protected characteristic and those who do not.
- 9.3 The duty continues to be a “have regard duty”, and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.
- 9.4 The Equality and Human Rights Commission has recently issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled “Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice”. The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at:
<http://www.equalityhumanrights.com/legal-and-policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>

10. Crime and Disorder Implications

- 10.1 The provision of community activities can assist with reducing crime by providing diversionary activities, increasing a sense of belonging and pride within communities and fostering good relations.

11. Equality Implications

- 11.1 An equalities impact assessment was presented to Mayor and Cabinet in July 2015 which assessed the impact on individual protected characteristics of the implementation of the new policy approach to using Council assets to support the voluntary and community sectors. An updated equalities impact assessment was presented with the follow up report in November 2015.

12. Environmental Implications

- 12.1 There are no specific environmental implications arising from this report.

Background Documents

None

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