

Cabinet 1 November 2016	 TOWER HAMLETS
Report of: Aman Dalvi, Corporate Director, Development & Renewal and Zena Cooke, Corporate Director, Resources	Classification: Unrestricted
Community Buildings Review - Recommendation Report	

Lead Member	Councillor David Edgar, Cabinet Member for Resources.
Originating Officer(s)	Ann Sutcliffe, Service Head, Corporate Property & Capital Delivery Steve Hill, Head of Benefits Service
Wards affected	All wards
Key Decision?	Yes
Community Plan Theme	One Tower Hamlets

Executive Summary

In December 2015, the Mayor in Cabinet considered a report titled 'Community Buildings: Allocation & Charging Policy'. The report established a number of principles in relation to the council's community buildings portfolio and instructed officers to undertake a property-by-property review of the portfolio to gather information on the current occupiers, terms of occupation, the condition and the range and types of activities taking place in them.

The review of the community buildings estate completed in July 2016. Key findings highlighted that many of the community buildings are in a poor condition (and would be costly to repair), have a plethora of management arrangements (often with no formal allocation between landlord and tenant) and are largely underutilised (operating a limited number of hours, for users comprising a limited number of interest groups).

To remedy this and maximise the use of council resources, it is recommended a network of community hub buildings be established throughout the Borough in order to best serve local communities with good quality, relatively inexpensive accommodation.

Community Hubs will be designed in such a way so as to allow multiple occupation and usage of high quality facilities, which provides versatile, bookable spaces for community groups to use either on a regular, sessional basis or through an ad hoc booking/hire. It is envisaged that a large number of existing community building occupiers will move to a hub.

At present the vast majority of council-owned community buildings are currently let on tenancies-at-will at a rent of £1 per day. A tenancy at will is an insecure form of agreement that can be terminated at any point simply by telling the tenant that you want the property back.

For existing users of community buildings who do not move into a community hub, it is envisaged that the council will change them to a lease with a community rent for a period of 3 to 5 years to provide greater security. This will be granted where the building is well used, and that intensive use is likely to continue in the coming years.

In very limited circumstances, the council may issue leases at a peppercorn rent. This option will only be made available to tenants and residents associations (TRAs) that are formally recognised as such by Tower Hamlets Homes (THH) that meets the agreed criteria. The option of a peppercorn rent will be the exception rather than the norm. This will follow a validation process, to be carried out with THH, and this will only relate to their TRA activities.

It is recognised that actively investing in the local voluntary and community sector often represents good value for the public purse and helps Tower Hamlets Council achieve its social, economic and environmental outcomes. Consequently, through a consistent, transparent, and accountable process, it is proposed some community groups will receive a 'Community Benefit rent reduction' where they meet specified criteria set out in the council's Community Benefit rent reduction policy.

In some circumstances there may be a surplus of community assets, whereby community organisations have left community buildings vacant in order to move into a community hub. Where vacant property is released as a result of the move to hubs, then this will be considered as part of the council's asset and capital strategies, which may include converting it to meet other council priorities including provision of affordable housing for families and homeless people, the provision of nursery places for 2 to 5 year old children or to generate a return that is invested in other council services.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Agree that a network of community hub buildings be established throughout the borough;
2. Agree the key terms for leases as set out in paragraph 5.3;
3. Agree that where community groups are to remain in existing accommodation, that this occupation will be on the basis of a formal lease with a community rent;
4. Agree that in some cases, THH-recognised TRAs, who can demonstrate intensive use of the property, may be issued with a lease based on a peppercorn rent for their TRA activities;

5. Agree the community benefit rent reduction policy, which affords eligible organisations a subsidy of 80% of their market rent, as set out in section 13;
6. Agree the proposed criteria, independent assessment tools and process and the monitoring and reporting arrangements for the community benefit rent reduction policy as set out in paragraphs 13.8 to 13.24;
7. Agree the proposed plan and approach for implementing the community benefit rent reduction policy, working with THCVS to support the voluntary and community sector organisations; and
8. Note that the additional capital and revenue resourcing required for the delivery of the community buildings policy will be considered as part of the council's Medium Term Financial Strategy.

1. REASONS FOR THE DECISIONS

- 1.1 The voluntary and community sector is an important part of the fabric of life in Tower Hamlets and plays a unique and crucial role in the delivery of services to residents of the borough. The broad range of voluntary and community sector organisations in the borough also contribute towards building social capital and fostering community cohesion.
- 1.2 The recommendations in this report support the objectives set out in the Council's Voluntary and Community Sector strategy that was approved in May 2016.
- 1.3 The recommendations in this report establish the foundations of how the council will improve and enhance the council's community buildings offer; by increasing the availability of high-quality space in a more cost effective way that supports the borough's thriving voluntary and community sector while also satisfying the council's statutory duties.
- 1.4 It will ensure voluntary and community groups are treated fairly and consistently, in a transparent and accountable manner when bidding for or occupying community buildings.
- 1.5 The recommendations in this report will also ensure the portfolio of community buildings is fit for purpose and in a tenable state while recovering some of the expenditure the council incurs in owning, managing and maintaining this portfolio of buildings.
- 1.6 The recommendations will also ensure there are formal agreements in place providing greater clarity in the different roles and responsibilities of the landlord and tenant.
- 1.7 The adoption of these proposals feature in the Best Value Improvement Plan, which was produced by the council following the issuing of directions by the Secretary of State for Communities & Local Government.

2. ALTERNATIVE OPTIONS

- 2.1 The Mayor in Cabinet could choose not to adopt the principles set out in this report. This is not recommended as the adoption of the policy forms part of the council's Best Value Improvement Plan. In addition, having a policy will give certainty to the voluntary and community sector, which will enable them to better plan for the future in relation to their property and general resourcing needs.
- 2.2 The Mayor in Cabinet could choose a different set of principles. Any changes would have to undergo assessment and a further report will be brought back to Cabinet for the Mayor's consideration

3. DETAILS OF REPORT

CONTEXT & BACKGROUND

- 3.1 The London Borough of Tower Hamlets has a large estate; most recently valued at approximately £1.1bn. A small but significant part of the estate is the community buildings portfolio; while making up only less than 5% of the estate in value (£50m), a number of these buildings are used for much-needed services for local residents, provided by local voluntary and community sector groups.
- 3.2 In December 2015, the Mayor in Cabinet considered a report titled 'Community Buildings: Allocation & Charging Policy'. The report established a number of principles in relation to the council's community buildings portfolio and instructed officers to undertake a property-by-property review of the portfolio to gather information on the current occupiers, terms of occupation, the condition and the range and types of activities taking place in them.
- 3.3 This report sets out the outcome of those visits and the review and proposes a way forward that delivers on the Council's strategic property related objectives. The proposals in this report aim to improve and enhance the council's community buildings offer by increasing the availability of high-quality space in a more cost effective way that supports the borough's thriving voluntary and community sector while also satisfying the council's statutory duties.
- 3.4 The December 2015 report also set out proposals to develop a mechanism for considering the community benefit arising from the activities taking place in these buildings and translating this benefit into a rent reduction of some kind. The December report stated that this would be a separate mechanism to the issuing of leases, licences and other forms of occupation. This approach was set out to ensure there would be a separation between the management of the asset and any in-kind grant the council might offer to its voluntary and community sector tenants.
- 3.5 It should be noted that this report does not concern itself with the marketing of community buildings (which are set out in the council's Property Procedures for Disposals and Lettings, adopted by Cabinet in April 2015) and the process by which applications to lease a community building are assessed. The purpose of this report is to take steps to regularise the occupation of existing users, establish community hubs in order to increase the availability of high-quality space and set out proposals for a community benefit rent reductions scheme to support certain groups of tenants, who meet specific criteria, on leases.
- 3.6 In May 2016, Cabinet endorsed the Voluntary and Community Sector Strategy. The strategy itself was co-produced with the Tower Hamlets Council for Voluntary Services (THCVS) through a number of workshops and a

working group consisting of the Tower Hamlets CVS and officers from the Council. Key themes within the strategy include:

- Promoting co-production and sustainability
- Maximising the value from resources
- Creating a step change in volunteering
- Bring together businesses and the sector

- 3.7 With particular relevance to community buildings and community benefit rent reduction, the strategy states:

‘The “community benefit” consideration will provide organisations with a contribution to the rent cost if the criteria are met. The proposed criteria and methodology will be presented to the Mayor in Cabinet for consideration and to seek approval to consult on those proposals with the tenants and with the wider voluntary and community sector. The outcome of the consultation will be taken into account before the final decision is made and implemented. The intention is to have a simple and clear criteria and methodology that sets out the basis on which the community benefit is assessed and awarded.’

- 3.8 In addition to this the VCS Strategy Action Plan also makes specific mention of community benefit in that the council is to:

“Develop and consult on the criteria and methodology for measuring the community benefit provided by tenants of council buildings”

- 3.9 Commitment to co-production is at the heart of the approach in the strategy. This means the VCS will be an equal partner in shaping what the council does with the resources available; and working closely with partner agencies and people who use services to make sure local priorities are identified and delivered.

4. LEGAL FRAMEWORK

- 4.1 There are a number of legal obligations the council must consider when assessing rent and entering into leases and licences. For properties held in the General Fund, s123 of Local Government Act 1972 requires the council to secure the best consideration (price) reasonably obtainable when disposing of property. If the council wishes to dispose at a figure that is less than best consideration then it must obtain the consent of the relevant Secretary of State. There are limited exemptions to this provision which are not relevant for the purpose of this report.
- 4.2 Leases of less than 7 years are not subject to these provisions, although the council still has a fiduciary duty to local residents. For this reason, and in order to better manage the estate, the council is proposing that community groups are only offered leases of 3-5 years.
- 4.3 For properties held in the Housing Revenue Account (HRA), under the General Housing Consents 2013, the Council can only dispose of land for a consideration (price) equal to its market value. In this case, disposal refers to

a lease of any length. The Council also has a duty to ensure the Housing Revenue Account is not being used to subsidise or fund General Fund activities and vice versa. At present the majority of buildings forming the community buildings portfolio are held in the Housing Revenue Account.

- 4.4 There may be situations where the council intends to use properties currently in the HRA for General Fund purposes. An example of this would be if a building that had originally been intended to be a tenant hall was to be used by a general community group for services beyond the tenants on that estate. In such cases, the Council will consider transferring the property from the HRA to the General Fund. This will involve undertaking a valuation of the property, to determine its open market value, and making an equivalent payment to the HRA from the General Fund (or transferring an equivalent debt from the HRA to the General Fund).

5. **PRINCIPLES**

- 5.1 The vast majority of council-owned community buildings are currently let on tenancies-at-will at a rent of £1 per day. A tenancy-at-will is an insecure form of agreement that can be terminated at any point simply by telling the tenant that you want the property back. This type of tenancy is not covered by the protections contained in the Landlord and Tenant Act 1954 (LTA).
- 5.2 In the future, the council will only issue leases or licences (this can also be referred to as a hire agreement) for its community buildings and both forms of tenancy will require a rent to be paid. A licence simply confers a right to use a property or part of a property. It normally defines the hours of use the occupier is to be given as well as the area of the property that they are being given the right to use. A licence can normally be ended by giving notice but could also be for a fixed term.
- 5.3 A lease is a much more secure form of tenancy in that it creates an interest in the land. It provides security of tenure for the duration of the lease, except where certain lease conditions are not met, which could give rise to grounds for termination. These leases will be prepared on the following Terms:

Length of Lease	3 to 5 years
Rent	Open market rental value based on restricted D1 Use (referred to as 'community rent')
Rates	Tenant
Building Insurance	Landlord insures the building only. Premium recovered from Tenant
Contents Insurance	Tenant

Internal repair and decoration	Tenant
External repair and decoration	Landlord repairs and recovers cost through a service charge. In order to keep the cost of the service charge low, once initial repairs have been undertaken the landlord will only be responsible for maintaining the building wind and watertight plus periodic redecoration to preserve the fabric of the building. Repairs beyond this will be at the landlord's discretion following consultation with the tenant.
L & T Act 1954	The lease will be excluded from the provisions of S24 – 28 of the Landlord and Tenant Act 1954. This means that the tenant does not have an automatic right to renew at the end of the lease. However providing the tenant has complied with the terms of the current lease and the property is not required for redevelopment or other purposes then the council may renew.
Break option	In certain circumstances, where there is a possibility of the property being required for redevelopment purposes there may be a clause inserted giving the landlord the option of breaking the lease before the end date. There will also be a tenant's break clause as standard. This will allow tenants to respond to changes in the organisation's financial circumstances.

- 5.4 These leases will provide the tenant with exclusive possession of the property although sharing the property with other voluntary and community groups, using a licence, will be permitted, and indeed encouraged, in certain circumstances.
- 5.5 For leases, the rent will be on the basis of the 'community rent' for the property. The community rent will be arrived at following an assessment of the open market rental value of the property for community use; within planning use class D1. This value will be benchmarked against local comparables, but will also reflect the condition, size and limitations of use of the building. The tenant may be eligible for a rent reduction or subsidy under the proposed community benefit rent reduction scheme (see section 13 below).
- 5.6 In very limited circumstances, the council may enter into a lease based on a peppercorn rent (e.g. £1 per year). However, these will be limited to Tenants and Residents Associations (TRAs) for their statutory functions who are recognised by Tower Hamlets Homes, the council's housing arms-length management organisation. The community building must form part of the Housing Revenue Account, be well used and in good condition.

- 5.7 As part of this process, the council will work to Tower Hamlets Homes to validate the status of existing TRAs who currently use council-owned buildings. This will include ensuring:
- The organisation has a constitution that has been agreed with Tower Hamlets Homes and sets out their aims and objectives as well as a clearly defined geographic boundary ('their area') for the organisation;
 - the primary aim of the organisation is to represent the views, concerns and interests of residents within their area on housing related issues;
 - ensuring membership includes all residents over the age of 16 within their area and all potential members are invited to general meetings;
 - ensuring attendance at meeting is monitored to ensure successful representation of all (potential) members within their area;
 - the organisation must adopt and demonstrate commitment to the Tower Hamlets Homes Equal Opportunities Policy; and
 - ensuring clear and accurate financial records are maintained and robust financial systems are in place.
- 5.8 The council will normally only enter into leases of 3 or 5 years. In order to consider a request for a longer lease, the organisation must show good reason for such a request. This may include the need to satisfy conditions necessary to secure significant external funding e.g. Big Lottery funding. If this is the case the organisation must demonstrate that they are able to satisfy all other criteria of the awarding organisation.
- 5.9 The request for a longer lease should be supported by a detailed business plan that covers the proposed lease length and the organisation must demonstrate both the financial and administrative ability to take on a lease of that length. The property must not be situated where it is likely to be required at some future date as part of a scheme of comprehensive redevelopment. For the avoidance of doubt this is likely to mean any premises that form part only of a larger building (e.g. part of a block of flats) or are situated in possible key positions within a future comprehensive redevelopment scheme. It is proposed that organisations on a longer lease will not be eligible for the proposed community benefit rent reduction scheme as by definition the value of the rent reduction is likely to be substantial over the lease period and may therefore require the consent of the secretary of state. In addition, the benefit of a longer lease will allow the organisation to generate income to cover the rental costs.
- 5.10 Licences will primarily be used for hiring space in the new community hubs (see section 5.12 below). The fees for these will include the council's cost of holding, managing and administering the buildings. There will be a blended rate across the borough, smoothing out differences in the cost of property in different parts of the borough, which would otherwise make certain parts of the borough unaffordable for voluntary and community sector organisations.
- 5.11 In addition to diverse sizes/types of spaces having a different charge, the space will be priced for different uses based on whether it is for community groups, private events, or commercial use.

5.12 To summarise the main differences between a lease and a licence are:

Lease	Licence
Security of tenure for the term of the lease	Limited security of occupation
Exclusive possession	Does not give exclusive possession
A lease conveys an interest in the property	A licence only creates rights to use it
Lease is for a fixed period (Term)	Licence not necessarily for a fixed term
Lease (for more than 3 years) must be in writing	Licence may be created without formality

6. REVIEW

- 6.1 Since the Mayor's decision in December, officers have been carrying out visits to the identified community buildings. These visits have included meetings with the individuals who run the buildings, often the chair or secretary of the community group, examining leaflets and posters that advertise events and schedules. The information recorded from these visits has allowed the council to better understand the uses of the building, the activities that take place within them, and the utilisation rates of the building. They allow the council to make an assessment of the condition of the buildings as well as identifying any other issues that may be relevant.
- 6.2 Where it was not possible to arrange meetings in person with individuals, officers have tried to speak with representatives of occupying organisations to discuss types of use and hours of operation. The vast majority of occupiers have been spoken to either in person or by telephone.
- 6.3 Discussions have taken place with the tenant as to the nature and extent of the use, in order to allow the council to develop a picture of the types of use and utilisation levels across the portfolio. It has allowed an update of the rental value and an initial assessment of any major works that may be required.
- 6.4 The review has been the first comprehensive examination of the council's community buildings portfolio and the largest data gathering exercise of this kind that the council has ever undertaken; previous reviews of community buildings have taken a sample-based approach.

7. MAPPING OF EXISTING PROVISION

- 7.1 The map in Appendix 1 shows the current location of the existing 74 buildings in the portfolio.
- 7.2 The map clearly shows that the geographic spread of the existing buildings is uneven across the borough. The majority of these facilities are concentrated in Bethnal Green, Whitechapel and Stepney, with a narrow band of buildings in north Poplar (between Aspen Way and East India Dock Road). In contrast,

there is a clear lack of council-owned community facilities in Bow and on the Isle of Dogs.

- 7.3 However, while there may be a lack of council-owned community facilities in those areas, the map in Appendix 2 shows community facilities owned by housing providers and other third sector organisations and illustrates that while the council may not own facilities in those areas, they are still available.
- 7.4 While the council is keen to ensure there are community facilities throughout the borough, this does not necessarily require them to be owned and/or managed by the council. Where the council does not currently provide community facilities, the council will work with a range of providers (such as those included in Appendix 2) to try to ensure there are sufficient facilities across the borough – although these will not necessarily be run by the council.
- 7.5 The review has allowed the council to confirm that the 74 buildings have a cumulative total floor area of approximately 9,300m² (100,000ft²). The average (mean) size of a community building is 118m². This average figure masks an extremely wide range of sizes; the smallest community building is the Ramar House TRA, which is 16m², with the largest being the Osmani Centre at 863m².
- 7.6 There are significant, often hidden, costs associated with the council holding onto these buildings. The historic recording of the expenditure incurred means this is difficult to quantify at this stage. In 2015-16, there was expenditure of £550,000 on responsive repairs and maintenance. However, it is also known that a number of tenants are carrying out repairs themselves. In some cases, the quality of those works is not known.
- 7.7 It costs approximately £1,000-1,500 per building for statutory compliance certification. These are the statutory tests that are required to ensure a building is safe in relation to gas, electricity, asbestos, fire, emergency lighting, and water. Under existing tenancies-at-will, and in the absence of a clear delegation of responsibility to the tenant, the council is obliged to carry out these tests and ensure the safety and security of building occupants and users.
- 7.8 A number of these buildings are in poor condition, particularly in relation to their energy efficiency. The lack of formal agreement, and demarcation of responsibility, means it is often the council that pays the high energy costs for these buildings.
- 7.9 The council is working to update the condition surveys for each of the buildings in order to better understand the repairs and maintenance that could be required in the medium- to long-term. To bring these buildings up to a safe, secure and modern standard will, require significant capital investment. The capital investment required will need to be considered as part of the Council's Medium Term Financial Strategy, taking account of the outcomes based approach for prioritising resources.

7.10 There are costs associated with the management and administration of these buildings that need to be considered. This includes the staff that manage buildings including asset managers, facilities managers and other associated staff (e.g. finance officers who raise orders; compliance officers who manage the statutory compliance process). In many cases, there are uniform business rates liabilities that at present, the council ultimately pays.

8. UTILISATION OF COMMUNITY BUILDINGS

8.1 The other primary area that the review has been examining is utilisation rates. For the purpose of this review, it has been assumed that all buildings are available for use between 8am and 9pm, Monday to Friday and 9am to 3.30pm on Saturday. This allows a total of 71.5 hypothetical hours of use per property per week and a total of 5648.5 hours per week across the entire estate.

8.2 It should be borne in mind that some properties will have more restricted opening hours based on their planning permission, while others will have less restricted opening hours, allowing more than 71.5 hours.

8.3 A number of buildings will have multiple spaces – so while one part of the building may be in use for much of the week, it may be that other parts of the same building could be better utilised.

8.4 Based on the visits carried out and an assessment of the available evidence, the 74 buildings that form part of this estate are only utilised for 1862.5 hours per week, only 35% of the available hours. This averages out to 25 hours per week per property, out of a possible hypothetical 71.5 hours. This mean figure again masks a wide range of utilisation rates with the least utilised building being used for no more than 1-2 hours per month, while some of the most utilised buildings are used in excess of 50 hours per week.

8.5 The council's aim is to secure at least 60-70% utilisation across the community building portfolio. This ensures that the buildings are well utilised while allowing for some flexibility and churn time (e.g. for setting up before an activity and cleaning up after it). This drive to increase utilisation aims to see more, and a wider range of, voluntary and community groups having access to premises.

8.6 In order to reach that aim, the council is proposing to move to a hub/sharing model for the provision of community premises. This is set out in more detail in the section below but ultimately proposes that the council holds fewer buildings in the community buildings portfolio and instead creates hubs that offer high quality spaces at an affordable cost while also maximising use. This model will allow the council to identify opportunities for cross-subsidy.

8.7 The Council will need to consider the outcome of a number of other areas of the Council's business that are currently under review, in order to ascertain what economies of scale can be achieved and where there might be scope to

deliver services in a more efficient way. This includes the review of youth services, adults' services, and early years' services.

9. PROPOSALS AND CONSULTATION

- 9.1 The review, building on the principles agreed in December 2015, has led to three proposed outcomes:
- A significant investment in community hubs – multi-use, versatile, and affordable spaces for local voluntary and community groups;
 - To enter into leases with existing tenants who remain in their current building; and
 - Establishing a community benefit rent reduction scheme, in recognition of the community benefit provided by the tenant.
- 9.2 More details on each of these proposals are set out in the sections below.
- 9.3 In advance of bringing this report to Cabinet, the Council sought the views of existing tenants, the voluntary and community sector, service users and local residents. The Council carried out a public consultation exercise which started on 19 August 2016 and ended on 18 September 2016. Council officers held three drop-in consultation sessions across the borough, as well as events with the Tower Hamlets Council for Voluntary Services. The consultation was also promoted via the council's website and social media channels, as well as relevant publications and mailing lists.
- 9.4 Over 50 responses were received and the vast majority were supportive of the Council's proposals. More details on the proposals, and the responses to the specific questions, are set out below.

10 COMMUNITY HUBS

- 10.1 A community hub is intended to be a building that provides versatile, bookable spaces for voluntary and community sector organisations to use either on a regular, sessional basis or through an ad hoc booking/hire. The intention is to design them in such a way so as to allow multiple occupation and usage in high quality facilities that are proactively managed. This management will initially be provided by the council although in the future it may be appropriate to procure a social enterprise or voluntary sector partner to manage the hubs on the council's behalf.
- 10.2 As voluntary and community sector organisations will only be paying for the specific hours they need, these spaces will be more affordable than leases which, while providing the organisation with exclusive possession, will cost considerably more. Currently, if on a lease, the group is paying for occupancy whether it is using the space or not.
- 10.3 Instead, these spaces will be let on the basis of formal licence agreements (for regular use) or hire agreements for ad hoc use. This matches voluntary

and community sector organisations up with the spaces they need, solely for the time they require them, leading to a more affordable cost and a better used building.

- 10.4 In addition to use by community groups, these hubs will have spaces that will be able to host birthday parties, wedding receptions, engagement/mehndi parties, and other similar private functions. The income generated from these functions will help drive down the cost that will be charged to voluntary and community sector organisations, therefore making the space even more affordable.
- 10.5 The hub will not provide office space unless it is needed for and ancillary to the principle community activity. The council does and will continue to provide affordable office space in various locations throughout the borough for both community organisations and new business start-ups, however these will be separate to the community hub buildings.
- 10.6 As part of the consultation, people were asked what they thought of the proposal to establish community hubs, the vast majority of respondents said they supported the proposal (60% said strongly agree or tend to agree).
- 10.7 Ideally community hubs will include spaces that can be hired on an hourly basis (e.g. meeting rooms, community halls, activity space, board rooms) as well as spaces that can be rented on a longer-term basis (accommodation for local voluntary and community sector organisations that require a longer-term base). They will be equipped with free wi-fi where possible. There should also be secure lockable storage for organisations that might use the spaces on a regular basis.
- 10.8 Each community hub will be different, and will vary in response to local requirements and needs. Larger community hubs could accommodate a number of different activities at the same time, allowing for the possibility of different organisations delivering activities at the same time (e.g. in adjoining spaces).
- 10.9 Some hubs may have additional uses, in addition to community use. For example, some hubs may have community use during the day with the hub then used to deliver youth services in the evening.
- 10.10 It is hoped that hubs will encourage better interaction and networking between voluntary and community sector organisations to enable peer support and the sharing of knowledge and resources.
- 10.11 In terms of specific spaces within the hubs, there may be a large hall or meeting space, capable of hosting large meetings and conference style events as well as birthday parties and wedding receptions or similar functions. This may be accompanied by a small kitchenette or, where possible, a small catering kitchen.

- 10.12 There may be smaller meeting rooms (capable of accommodating 10-12 people) for meetings, training sessions, board/management committee meetings of local groups. These should have multimedia facilities, including internet access and the requisite IT equipment.
- 10.13 Smaller community hubs may only be able to accommodate some of these facilities. However each hub will be designed with existing local provision in mind – if there is a shortage of or demand for a particular type of space, then the council would seek to fill that gap. The design of the hub will have to reflect the constraints of individual buildings such as size and existing layout but will as far as possible reflect feedback from local users and those who took part in the consultation process.
- 10.14 In the consultation survey, respondents were asked what facilities they would like to see in community hubs. The most popular options were activity space followed by meeting rooms and catering space. These will be incorporated into the hubs where possible.
- 10.15 New and existing voluntary and community sector organisations are the key target users. This includes both those who need a longer-term base to deliver services to the public, and are prepared to enter into a licence arrangement, and also those who may wish to hire a hall or meeting space on an hourly basis – either ad hoc or as a regular booking. This might include TRAs or local clubs who only need to meet on a weekly or monthly basis.
- 10.16 When allocating space in a hub, the Council will give priority to existing tenants of community buildings that are poorly utilised and/or in poor condition.
- 10.17 When it comes to allocating bookable space in a community hub, local voluntary and community sector organisations will be prioritised over private functions and requests for bookings from private sector organisations. For local voluntary and community sector organisations, bookings it may be that priority is given to longer-term use over one-off bookings. However, consideration will be given to making space available for booking at different times to ensure a broad cross-section of groups are able to access the space for both regular and one-off events. For example, this may involve allowing some spaces to be booked up to three months in advance, while other spaces may only be available for booking up to two weeks in advance.
- 10.18 The Council will look at ensuring there is a hub within relatively short walking distance of most parts of the borough. They will mostly be in existing buildings. Examples for where the first hubs might be located include the Christian Street Community Centre, E1, and the community building on the St Andrew's development in Bromley-by-Bow. In addition, one of the outcomes of the Mayor's Somali Taskforce (the subject of a separate report on the agenda) is a proposal for Granby Hall to also become a community hub.
- 10.19 The Council is actively looking for other potential hub sites in the borough. This could be an existing building that would be converted to a hub or, in

limited cases, a development opportunity that will allow the delivery of a hub by either building one or securing one via the planning process in areas where existing options are limited.

10.20 Following the outcome of the consultation exercise and the consideration of this Cabinet report in November, the council will, with the support of THCVS, discuss with voluntary and community sector organisations already in a council building about how they might be able to use the new community hub in their area. Once these organisations have been accommodated, the additional spaces will be offered to other voluntary and community sector organisations that might be seeking premises from which to deliver services in the borough.

10.21 The charges for flexible spaces will be on an hourly basis and use a cost recovery model as a starting point; this means the Council will base charges to community groups on what it costs to run and manage the buildings. It may also be possible to offset additional costs by hiring rooms out to private organisations at a higher rate, therefore leading to a reduced hire charge for voluntary and community sector organisations. Based on charges by providers of similar facilities as well as some modelling work done by the council, it is anticipated that the average cost may be as follows:

Commercial Rate	Non-resident Rate	LBTH Resident Rate	Registered Charity Rate	LBTH Registered Charity Rate	Off Peak % discount Monday – Friday 9am – 5pm	Long term standard discount (booking in excess of 12 weeks)
£35 p/h	£25 p/h	£20 p/h	£15 p/h	£12.50 p/h	10%	20% discount

10.22 Based on these indicative figures, the lowest cost will be to a local voluntary or community sector organisation that has a regular booking during off peak hours, for which the charge would be £9 p/h. Please note that these are indicative figures only and may change once more detailed work has been carried out on the community buildings hub proposal. They will also vary based on the proportion of community versus commercial users making use of the building.

10.23 The Council does not have a fixed number of hubs it is looking to establish. Decisions on where hubs should be will be taken on the basis of local need, and in consultation with the voluntary and community sector; this will include consideration of all community facilities in the area, not just those owned by the Council.

10.24 The Council will look across the existing estate to identify the tenants who will move to these new community hubs. The Council will look to accommodate tenants currently in buildings with low levels of utilisation or in poor condition in a hub. This is not a policy to drive organisations providing valuable services

from their existing locations and is a process that will take place through dialogue and consultation. It is hoped that by moving groups to better planned, good quality accommodation, groups will be able to attract more users of the services that they offer. In all cases of groups moving from existing buildings to hubs, they will be in spaces that are affordable, of a higher quality and well managed.

- 10.25 Where there is no suitable hub in the locality, the council may propose a lease instead, until such time as there is a hub in the area. More information on the leasing proposals is set out below. The next section also sets out the process that will be followed when properties become vacant as existing tenants move to community hubs.
- 10.26 One of the first buildings identified for use as a community hub is the council-owned community centre on Christian Street, E1. The building is a purpose-built community facility and is currently vacant. It has two large floors, of mostly open plan space as well as a number of smaller offices/meetings rooms/consultation rooms; the building has a small catering kitchen as well as a lift.
- 10.27 The council has commissioned some feasibility work to look at how the building might be adapted to become a community hub and once finalised these will be available to view on the council's web site.
- 10.28 The London Borough of Islington has been using the hub model for a number of years now. Octopus is a network of multi-purpose centres throughout the borough and is 'driven by the collective desire to develop centres as 'hubs' in the community, where multiple grass-roots services and wide-ranging facilities can be accessed and influenced by the unique needs of a diverse population and local neighbourhoods'¹.
- 10.29 There are currently 11 community hubs in the Islington network, which provide a range of services, from multiple providers from within the voluntary and community sector. They also make their spaces available for private hire to both individuals and organisations.
- 10.30 As part of the consultation exercise, a number of questions were asked about the proposed community hubs.

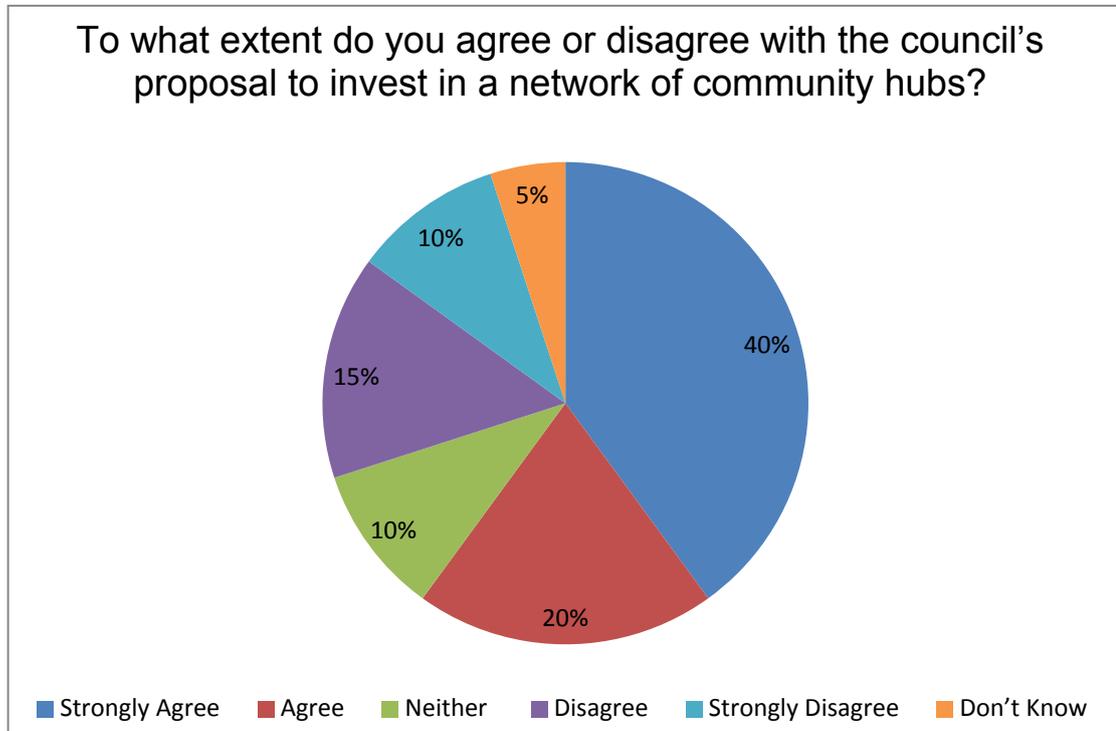
11 CONSULTATION FINDINGS

- 11.1 The questions asked were:
- Whether people supported the council's proposals to invest in a network of community hubs;
 - What facilities were important to include in a community hub;
 - How far away people thought users of the hubs could have to walk to access their nearest hub;

¹ <http://www.octopuscommunities.org.uk/what-we-do/>

- What people thought of a proposal for the hubs to be managed by a community and voluntary sector group in the future.

11.2 60% of people were in favour of the proposals (strongly agreed or tended to agree) to investment in a network of community hubs.



11.3 Some of the general comments received on this question made reference to there being a need to ensure value for money with council resources, others highlighted that a shared pool of buildings was a sensible idea, with others commenting that robust management and equitable usage was critical.

11.4 Respondents were asked to indicate what facilities they thought these community hubs should have. Respondents were asked to select their top three from a list. The three facilities people felt were most needed were:

- Activity Space
- Office Space
- Meeting Rooms

11.5 It was clear that these were considered to be important facilities for a successful community hub. In addition, respondents told the council that catering facilities and facilities to contact the Council or other services were also important. By and large residents thought that spaces to rent on an hourly basis (whether for activities, office space or meetings rooms were more useful by the hour than on a longer term basis). A key issue mentioned related to the opening hours of community hubs, particularly in ensuring that consideration is given to their opening outside of working hours to encourage a wide range of activities, in particular child care groups.

- 11.6 Another question that was asked was how far (in time taken to walk there) people thought was a reasonable amount of time for residents and service users to travel to their nearest community hub. There was a mixed response to this question, with the most popular option being 20-30mins (25%) and the second most popular one being 15-20mins (23%). One comment centred on the spread of community hubs needing to be even across the borough, as in some cases (for example elderly drop in sessions), it is critical to ensure close proximity to residents.
- 11.7 Community hubs will initially be managed directly by the Council, but in the future it may be appropriate for a voluntary or community sector organisation to manage them on the Council's behalf. The consultation asked what people thought of this and there were mixed results; while 34% supported the idea of a community or voluntary group managing the buildings as they felt this would be better value for money and their needs would be better understood and met. However, 45% of respondents did not support this proposal. These respondents highlighted concerns that if a building were managed by a third-party, there was the possibility of favouritism or other similar unfair practices creeping in. To this end the involvement of community organisations in a lettings and allocation policy for community hubs could prove useful. Furthermore, the transfer of a community hub to a consortium body (rather than one sole organisation) may deliver economies of scale regarding management, as well as secure an objective approach to what services/activities are delivered.
- 11.8 The Council will review how it provides and manages these hubs 18-24 months after they have been established. This will allow an assessment to be made of the Council's management of the hubs and a further decision to be made on whether or not the council should seek a voluntary or community organisation to manage the buildings on the council's behalf. Existing tenants, users and the wider voluntary or community sector will be consulted on any proposal at the appropriate juncture.

12 THE REMAINDER OF THE COUNCIL'S COMMUNITY BUILDINGS ESTATE

- 12.1 It is envisaged that a number of existing community building occupiers will move to a hub. However, there will be some exceptions to this. This section sets out the proposals around some of those exceptions. This section also sets out the proposals in relation to the future use of those buildings that become vacant, the occupiers having relocated to a hub.

Existing leases

- 12.2 A number of voluntary and community sector organisations are on existing leases, based on a community rent. There is currently no proposal to change these arrangements, not least because the tenants have security of tenure for the duration of the lease (except where there are break provisions). When those leases come to an end, the Council will determine the most appropriate

way forward – offer the tenant space in an existing hub, propose a renewal of the lease, remarket the property or review the future use of the property.

New leases

- 12.3 For some existing users of community buildings, who are currently in an unsecure tenancy-at-will, the Council will move them to a lease with a community rent. This will only be proposed when the council is satisfied that the building is well used, and that intensive use is likely to be the case in the coming years. The building will also have to be in relatively good condition and not require significant capital investment on the council's part. There may be some classes of use for which a lease, specifically security of tenure and exclusive possession, is necessary, such as an OFSTED-registered nursery.
- 12.4 These leases will be based on the principle set out in section 5.3. Namely a 3 to 5 year term, based on the community rent, excluded from sections 24 to 28 of the Landlord and Tenant Act 1954, with a service charge to cover some additional costs such as insurance and some repair.
- 12.5 In very limited circumstances, the council may issue leases on the above basis but with a peppercorn rent instead. This option will only be made available to THH-recognised TRAs, for meeting their statutory obligations, who occupy a well-used building that is in good condition. In such case, the lease would still be for 3- to 5-year term, excluded from sections 24 to 28 of the Landlord and Tenant Act 1954, with a service charge to cover some additional costs such as insurance and some repairs but no rent would be charged. However, the tenant would be expected to hire out the facilities in order to raise income and allow other voluntary and community sector organisations to use the space.
- 12.6 As part of this process, the council will work to Tower Hamlets Homes to validate the status of existing TRAs who currently use council-owned buildings. This will include ensuring:
- The organisation has a constitution that has been agreed with Tower Hamlets Homes and sets out their aims and objectives as well as a clearly defined geographic boundary ('their area') for the organisation;
 - the primary aim of the organisation is to represent the views, concerns and interests of residents within their area on housing related issues;
 - ensuring membership includes all residents over the age of 16 within their area and all potential members are invited to general meetings;
 - ensuring attendance at meeting is monitored to ensure successful representation of all (potential) members within their area;
 - the organisation must adopt and demonstrate commitment to the Tower Hamlets Homes Equal Opportunities Policy; and
 - ensuring clear and accurate financial records are maintained and robust financial systems are in place.
- 12.7 As part of the consultation, people were asked what they thought of the proposal to offer leases to tenants if they are to stay in their existing building. 68% of respondents said they **agreed** with the proposal. Some of the

comments received stated that formal agreements should be in place, with leases being offered to those organisations that can evidence they can meet the costs. There was broad support of the move towards leases of 3-5 years offering greater security for voluntary and community sector organisations.

- 12.8 While there was broad support for the move towards leases some responses centred on key considerations which might need to be considered prior to this transition. These centred on the production of a clear and transparent policy around the calculation and billing of service charges, the agreement of stock condition prior to leases being entered into, and the lease containing clear delineation of responsibilities for repair / maintenance which needed to be undertaken thereafter.
- 12.9 Some responses also noted that the council may wish to consider some conditions which would allow legitimate trading for community organisations which also occupy D1 premises (and are thus applicable for community benefit rent reduction). These responses noted that despite receiving reduced rent, restrictions on trading could undermine financial viability of the community organisation to deliver community outcomes. However, the council is unable to support this suggestion as it would require a different, and more expensive, rent calculation (as it would no longer be a D1 use) as well as requiring changes to planning permission. Most importantly, this could result in sites (or parts thereof) no longer being in community use, causing much-needed space to be lost.

Former homes

- 12.10 A significant number of community groups, particularly TRAs, operate out of properties that were once homes. As part of this piece of work, it is proposed that most of those properties are converted back to dwellings and either used as temporary accommodation for the growing number of homeless households in the borough or let to a household on the council's housing register. Existing users of these buildings would be relocated to a hub.
- 12.11 Each building that is converted back into a dwelling would provide much needed housing for residents on the council's waiting list. The average cost of providing a new council home is c. £300,000. These buildings could be converted back into homes at a fraction of that cost, resulting in notional savings in the region of 50% of the above cost, while also contributing to the Mayor's priority for delivering new, genuinely affordable, social housing for local residents.

Review for other uses

- 12.12 As part of the process of determining which groups should move to hubs, the council will consider alternative uses for the site. One of the key areas that the council has been focussing on recently is the provision of early years' provision for two-year-olds, which is a statutory obligation for the Council. Current demand exceeds provision and the Council's Early Years team are keen to see an increase in affordable provision across the borough.

Community buildings that become vacant as a result of the move to hubs, that are suitable for that use, could be marketed to seek a provider.

Community Asset Transfer

- 12.13 The December 2015 report stated that the council had not discounted Community Asset Transfer. While this remains the case, it is not an option being recommended by officers due to the poor condition of many of our existing community buildings. In such a situation, any transfer would ultimately be a transfer of liabilities rather than an asset.

Partner Asset Transfer

- 12.14 There are some anomalous cases of community buildings being retained by the Council when stock transfer has taken place and an estate has been transferred to a Registered Provider. In such cases, the council will consider transferring the building to the Registered Provider (for the appropriate consideration) in order to allow them to take a more holistic view as to the provision on the estates they manage.

Redevelopment potential

- 12.15 In some cases, the site of existing community buildings may provide opportunity for development, either as small infill schemes or as part of a more comprehensive estate-wide regeneration scheme. In such cases, the Council will put in place an engagement process which gives at least six months' notice as well as assisting in the identification of alternative premises.

Disposal option

- 12.16 In some cases, the Council may choose to dispose of a site. This may be because the cost of retaining and refurbishing the site for alternative use is prohibitively high. However, this is unlikely to be pursued as an option where the community building forms an integral part of the estate, as this would then fetter the Council's options when seeking to make improvements or otherwise regenerate the estate.
- 12.17 The options appraisal for other uses or disposal will be determined following a service and asset review being undertaken, and will be in accordance with the Council's Capital Strategy.

13 COMMUNITY BENEFIT RENT REDUCTION

Community Benefit

- 13.1 The Council recognises that the Voluntary and Community Sector (VCS) is a valuable and important asset that delivers vital services and benefits to local residents. The council is committed to ensuring this community value is appropriately recognised and reflected. The Council also recognises that local

organisations are often best placed to manage facilities within their local communities. Their local knowledge, extensive use of volunteers and hands on management of the asset can result in better services which meet the needs of the wider community, lower overheads and offer better value-for-money. Further, recognising that actively investing in the VCS often represents good value for the public purse and helps the Council achieve its social, economic and environmental outcomes as set out in the Community and Strategic Plans.

- 13.2 The Council is proposing to offer, through a consistent, transparent, and accountable process, some voluntary and community groups, a community benefit rent reduction where they meet specified criteria. This is consistent with the findings of the Community Buildings consultation where the majority (81%) of those who responded stated that they strongly agree or tend to agree with the Council offering VCS organisations the opportunity to apply for a rent reduction associated with a 3-5 year lease in certain circumstances.
- 13.3 In line with the principles of the VCS Strategy, the Council was keen to co-produce the criteria and process for a Community Benefit rent reduction with the VCS. The consultation also found that 87% strongly agree or tend to agree that the council should work with the VCS to co-produce the policy, criteria and process. In setting the criteria for the community benefit rent reduction, the council has used responses from the Community Buildings consultation and the findings from a joint working group that was established for this purpose.
- 13.4 The working group consisted of council officers, Tower Hamlets CVS, Tower Hamlets Homes and representatives from the Premises Forum. The group was co-chaired by the Corporate Director of Resources and Chief Executive of Tower Hamlets VCS and was facilitated by a jointly appointed independent consultant. The key aim of the working group was to discuss and agree the policy and eligibility criteria for rent reduction, the application and assessment processes, the monitoring and reporting arrangements, the support to organisations and the implementation plan, so that the governance and decision making arrangements are robust and transparent and in line with recognised best practice.

Criteria for Community Benefit Rent Reduction

- 13.5 Of those surveyed, 97% strongly agreed or tended to agree with the Council having a formal policy, criteria and process for considering applications for a rent reduction. Respondents were asked to indicate what they felt the criteria should include. The most common responses included the following which will form part of the criteria:
- Properly constituted as non-profit distributing with social/charitable objects with an area of benefit that covers all or part of Tower Hamlets
 - Willing to offer space and support to other smaller local groups
 - Able to demonstrate that it is community-led

13.6 As part of the open questions within the survey, respondents felt the following were also important and should be considered as part of any criteria for rent reduction:

- The criteria should include a question on equalities and ensuring the building was open to all communities and in particular being *'able to demonstrate its management board is inclusive and representative of the local area and be able to demonstrate diversity among community user groups'*.
- The process for awarding a reduction should be fair, open and transparent and that *'the Council should publicise the levels of subsidy each group gets in reduced rent in the same way as grants etc.'*
- The criteria should also state that an organisation that is awarded a reduction in rent should *'operate in an open and transparent way not being selective and isolated in their behaviour'*.

13.7 The result showed that 94% strongly agree or tend to agree that the organisation should expect to demonstrate that it has met the criteria for the duration of the lease period. In addition to this the VCS representatives of the Working Group proposed that if the standards for a Community Benefit rent reduction are met then the reduction should be applied directly in the lease as the amount payable in rent for that premises, to ensure clarity, transparency and co-terminosity with the lease period. The proposal made was that the lease should show details of how this final rent payable was arrived at, citing both the community rent for D1 usage calculated for that building, the Community Benefit rent reduction and the reduced rent payable. The lease would also make clear that the rent reduction would continue to apply for the period that the organisation continued to meet the Community Benefit rent reduction criteria. The Council has considered the proposal and whilst there is a relationship between the rent payable and the community benefit rent reduction awarded, the Council is keen to ensure there is sufficient separation between the Council's role as a landlord and the support provided by the Council to VCS organisations awarded a community benefit rent reduction. The lease will therefore set out the community rent amount and there will be a separate agreement setting out the community benefit rent reduction. The rent reduction will be set out in invoice details for the rent payable by the VCS organisation.

13.8 Detailed below are the criteria required to be eligible for a community benefit rent reduction. This includes details of how the criteria will be tested.

Eligibility Criteria for Community Benefit Reduction	How tested
<p>In addition to meeting the criteria for being able to apply for a lease at a 'D1 Community Rent', the lessee should be able to demonstrate that they are:</p> <ul style="list-style-type: none"> • Community-led (i.e. its proposed/existing governance arrangements must demonstrate that 	<p>Stage 1: Initial light-touch Expression of Interest by the community group.</p> <p>Stage 2: Testing the skills, knowledge and capacity to run the building safely and legally. An</p>

<p>it has strong links with the local community, and that members of the community are able to influence its operation and decision-making processes);</p> <ul style="list-style-type: none"> • Appropriately constituted and capable of demonstrating good governance through open and accountable processes, with adequate monitoring, evaluation and financial management systems; • Capable of sustainably, legally, and safely managing an asset and delivering services from it. • Capable of demonstrating the social, economic, and environmental benefits they deliver through their activities and that these clearly link to the council's own desired outcome for the borough as expressed in the Community Plan. • Able to demonstrate how they will embrace diversity, work to improve community cohesion and reduce inequalities. • Willing to offer space and support to other smaller local groups • Demonstrate how the organisation contributes to the Voluntary and Community Sector Strategy Action Plan. • Agree to the principles of the Tower Hamlets Compact. 	<p>independently assessed legal compliance tool <i>pre</i>VISIBLE will be used to test the following:.</p> <p>Testing the business case with a satisfactory and proportionate (to the scale and type of organisation) business plan that demonstrates an evidenced ability to manage the building sustainably over the term of the lease. The business case will need to demonstrate:</p> <ul style="list-style-type: none"> • How it engages with the community it serves and seeks feedback on its activities in order to inform strategic planning of new services and changes/improvements to current services. • Clear evidence of embracing diversity and promoting community cohesion having regard to the council's Toolkit on Community Cohesion. • Clear evidence that the asset will be used efficiently and intensively. <p>Testing the social, economic, and environmental value by demonstrating that its activities and use of the building will deliver clear and evidenced social, economic, and environmental benefits in line with the Corporate Objectives ('core themes') in the council's 2015 Community Plan.</p> <p>For organisations where their potential 'Community Benefit rent reduction' would be equal to or less than £20k per annum the simple table set out in Appendix 3 will be used which links social/charitable objects to actual activity to council objectives.</p> <p>For organisations where their potential 'Community Benefit' would be greater than £20k per annum more detail will be required and an external tool will be used. The <i>Your Value</i> tool would be used for this purpose.</p>
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13.9 The VCS representatives on the Working Group proposed that the rent reduction should be available to all organisations who meet the eligibility criteria and standards and rent premises from the Council on short leases of up to 5 years regardless of whether a lease is already in place or not. It was noted that there are organisations with longer-term leases already in place, the VCS representatives of the Working Group suggested that if the council did not consider it appropriate to offer a rent reduction for longer than a five year period, those with longer term leases could be eligible to apply for the rent reduction on the basis that it would need to reapply at the end of each five year period. The position regarding longer term leases is set out in paragraph 5.9, which highlights the Council's requirement to comply with legislation in terms of leases and disposals.

- 13.10 The survey asked of any other approaches that could be used to award rent reductions, there was a strong emphasis on organisations being able to show 'clear demonstrable impact for the local community' and being 'able to show what and how they have benefited their community to receive rent discounts'. Both of these are acknowledged in the criteria.
- 13.11 The survey suggests that 84% strongly agree or tend to agree that there should be a standard rent reduction if the agreed criteria are met by an applicant. This is consistent with the Working Group who also felt that a standard reduction should be agreed. The December 2015 Cabinet report Community Buildings: Allocation and Charging Policy stated that the charges that are to be applied to community buildings should not be income generating, on that basis Tower Hamlets Council for Voluntary Services and the Premises Forum proposed that the rent to be reduced should be a substantial amount - at the same time recognising that organisations must pay some contribution in rent. The proposal made was for the level for charitable rate relief of 80% set by the government to be used as the level of rent reduction for eligible organisations. This was proposed on the basis that it would recognise the community benefit achieved by the organisation as well as recognising that the 20% paid by the organisation would acknowledge the administrative and overhead costs incurred by the council in the provision of community buildings.
- 13.12 The table below sets out the amount in rent that voluntary and community sector organisations are currently paying, how much they would pay as market rent that reflects D1 community usage and also how much they would pay if the rent reduction was set at the proposed 80%. These figures are based on the borough's current average D1-use rent of £14.50 per square foot or the rental figure if rent is currently paid for a D1-use. The community benefit calculation excludes nurseries and playgroups and TRAs and other excluded categories from the proposed community buildings rent reduction policy such as long leases, short-term leases for meanwhile use as well as ground rents. This analysis shows that the implementation of the policy would result in the council foregoing £335k in income as support to voluntary and community sector organisations in addition to the £550k expenditure on responsive repairs and maintenance referred to in paragraph 7.5. It should be noted that these are indicative figures and the application and assessment process may yield a different outcome.

Voluntary and Community Sector Organisations	Amount
Current rent per annum (based on existing leases)	£301,250
Total potential rental payments for D1 community usage for whole portfolio	£830,285
Potential payments after implementation of policy	
Rental payments with 80% reduction in rent (where eligible)	£79,739
Rental payments with 0% reduction in rent (where current use or lease makes ineligible)	£414,833
Total rental payments after implementation of policy	£494,572
Total rental reduction after implementation of policy	£335,713

Exclusions to Community Benefit Rent Reduction

13.13 There are some exceptions to those that will be eligible for the rent reduction and these are detailed below:

- Where the Council enters into a lease based on a peppercorn rent (e.g. £1 a year) with Tenants and Residents Associations (TRAs) who are recognised by Tower Hamlets Homes, the Council's housing arms-length management organisation, subject to meeting the relevant criteria. The community building must form part of the Housing Revenue Account, be well used and in good condition.
- As detailed in the 1st December 2015 Cabinet report Community Buildings: Allocation and Charging Policy, nurseries/playgroups and places of worship will attract the community rent as described in paragraph 5.5.
- Organisations who are considered to be engaged in economic activity for the purposes of the State Aid rules.
- While some feedback was received through the consultation process and from the working group concerning further consideration of this policy, the community benefit rent reduction policy will not include an allowance for parts of the building that are available for use by other members of the community or general community use, as this will be complex and resource intensive to administer and monitor.
- The Council remains committed to ensuring that there are sufficient high quality childcare places across the borough and will continue to work with and support private and voluntary childcare organisations, including nurseries and playgroups. The Council's Integrated Early Years' Service provides a range of support and is developing options that will include support for those nurseries and playgroups affected by the Council's Community Buildings policy.
- Faith-based organisations, not occupying a place of worship and providing general community use, will be eligible to apply for the community benefit rent reduction.
- Those organisations in receipt of a Council grant or contract where the rent for their premises is already included in the scope of that grant or contract for the whole duration of the lease.
- Those organisations who are not on the standard community lease, the principals terms of which are described in paragraph 5.3. This includes organisations on leases of less than 3 years (e.g. meanwhile uses) and those on longer leases (in excess of 5 years). This also includes organisations that only pay a ground rent.

Process for Community Benefit Rent Reduction

13.14 It is critical that the council has a process that is open, transparent and robust. This is echoed in the survey findings where respondents have stated that they would like to see a process which is 'fair, open and transparent'. The process for assessing the Community Benefit rent reduction was discussed by the Working Group.

- 13.15 In order to ensure that the process is open, transparent and robust the process for offering a reduction in rent will consist of the use of external independent assessments tools and assessors that are considered to be good practice and are already used effectively elsewhere. When testing whether an applicant has met the standards required for a rent reduction the council will use an independently assessed legal compliance tool, *pre*VISIBLE. This tool is endorsed by the Cabinet Office, recognised by the Charity Commission and used by other London Boroughs such as Hackney and Haringey². The independent national assessors test the management systems, policies and procedures that an organisation has in place via a series of online questions and requests to attach specific pieces of supporting evidence. *pre*VISIBLE also includes advice and guidance and looks at whether an organisation is fit for purpose and legally compliant. The *pre*VISIBLE is available at no cost to use for the assessment preparation, with a fee of £500 for the independent assessment.
- 13.16 The Council will also ensure that the process and requirements are proportionate, so will have a threshold above £20k per annum for which a more detailed assessment will be required. An external tool, the Your Value! tool, is accepted good practice and will be used as part of the assessment. This is a self-assessment tool which includes a series of prompt questions to assess an organisations impact of social value. In particular the tool explores the social, economic and environmental impact of an organisation. The tool has been tested, with positive feedback, in various parts of the country including Hampshire, Oxford and Surrey before being launched online. The cost for the your Value account is £100, with discounts available for a block purchase of multiple accounts. Both the *pre*VISIBLE and Your Value! Tools were used in tandem by Haringey Council as the mechanism for assessing all 25 organisations they rent buildings to in the course of lease renewals in 2014/15.
- 13.17 As part of the assessment process, organisations will be required to complete these tools. Support will be provided to organisations through Tower Hamlets Council for Voluntary Services with training from the organisations who deliver the two tools.
- 13.18 In order to promote and increase transparency and accountability, the Council will establish an assessment panel which will comprise the Head of Benefits, the Head of Revenues, (the Panel Chair and Head of the team responsible for assessing charitable rate relief), and a representative of the Council for Voluntary Services. The panel will receive a report from the independent assessors that will set out the results of the *pre*VISIBLE and Your Value! tools against the eligibility criteria. The assessment panel will review the report and determine whether the community benefit rent reduction should be awarded. It is proposed that the mechanism for considering the recommendation of the assessment panel will be via the Grants Decision Making meeting, with a formal report presented to the GDM meeting for

² <http://www.haringey.gov.uk/community/voluntary-sector/council-community-buildings/self-assessment-community-building-tenants>

consideration, setting out the reasons for the recommendations, supported by the independent assessor's report. An appeals process will be in place for organisations that are unsuccessful with their application. It is proposed that this would be similar to the appeals process for charitable rate relief, whereby appeals are presented to the Monitoring Officer and S151 officer for consideration. A high level process and flow chart for administering the rent reduction is set out in Appendix 4 and also details the governance arrangements for decision making.

On-going monitoring and reporting requirements for groups awarded a community benefit rent reduction

- 13.19 The on-going eligibility for the community benefit rent reduction will be reviewed annually for the duration of the lease to ensure financial good governance; sustainability and delivery of community value are present throughout the duration of the rent reduction period. The Revenues Team currently review eligibility for charitable rate relief on an annual basis. It is proposed that they also undertake the review for community benefit rent reduction as the reviewing infrastructure and resource is already in place and ensures a separation of the support and monitoring functions. The review includes site visits as well as analysis of Annual Reports and Accounts for organisations in receipt of the rent reduction. Annual reports will need to be produced in a timely fashion after the end of the organisation's financial year and will need to contain a section on how they have delivered their Public Benefit, giving clear details on activities undertaken throughout the year and how these are related to the social/charitable objects of the organisation and the Council's strategic priorities.
- 13.20 In addition to the annual review, and to ensure that there are robust procedures in place for monitoring, the Council's internal audit function will undertake an annual compliance audit to audit the application of the community benefit rent reduction policy.
- 13.21 If, following the review or compliance audit, an organisation is no longer providing the community benefit for which the rent reduction had been awarded, the organisation will no longer receive the rent reduction and will be required to pay the community rent. If the organisation subsequently considers that it is providing a community benefit, it will need to reapply for the rent reduction.
- 13.22 In order to set out clearly the community benefit being achieved by the organisation, the VCS representatives on the Working Group proposed that a Schedule be included in the lease that sets out the on-going performance and monitoring requirements the groups must meet to keep their Community Benefit rent reduction. Failure to comply with these on-going requirements or failure to continue to demonstrate the community benefit would result in the council withdrawing the Community Benefit rent reduction for the remainder of the lease term. The Council would determine whether the group remains and pays the full rent or that the lease is terminated. Groups would have a break

clause in the lease that would enable them to surrender the lease if they were unable to pay the community rent. In addition to this the lease will also have a break-clause available to organisations if they are unable to pay the reduction in rent as a result of a change in their circumstances.

- 13.23 The schedule will include clear details of when the organisation will be required to submit monitoring and performance information. In particular this will include:

Amount of rent reduction per annum	Monitoring / performance information required
Rent Reduction greater than £20,000	On a 6-monthly basis for the duration of the lease agreement
Rent reduction less than £20,000	On an annual basis for the duration of the lease agreement

- 13.24 For organisations with a reduction of greater than £20,000 per annum, a report will need to be submitted every 6 months detailing how they continue to meet the standards for the reduction. On an annual basis this will include submission of their accounts and Annual Reports. For those with a reduction of less than £20,000 a report together with accounts and annual report are to be submitted on an annual basis.
- 13.25 The Council will ensure that there is a clear agreement setting out the on-going performance and monitoring requirements the organisations must meet to keep their Community Benefit rent reduction. However, it is proposed that this will be in a separate agreement as set out in paragraph 13.7.

14 CONCLUSIONS

- 14.1 The review of the community buildings estate undertaken between December 2015 and July 2016 has revealed a number of issues that make the estate and the current basis of occupation and management to be unfit for purpose.
- 14.2 In particular many of the buildings are grossly underutilised. They are assets that should be available for the whole of the community and for a variety different users. Instead they are often used for only a small number of hours each week by a limited number of users often comprising only one interest group.
- 14.3 There is no formal basis of occupation in all but a small number of cases. This leads to confusion as to the allocation of landlord and tenant responsibilities and no security of occupation for the tenant.
- 14.4 The lack of a uniform system of charging for buildings means that some groups are already paying community rent for their premises whilst others pay nothing. This leads to significant inequality across the estate.

- 14.5 Finally, many of the premises have not been maintained over the years. This in part stems from the reasons stated above but regardless of the reasons, the cost of bringing the estate into repair will be significant. With intense pressure on all councils to make savings, the council must reduce the number of buildings within the estate and ensure that those that remain are more intensively utilised.

15 RECOMMENDATION PROPOSALS

- 15.1 In conjunction with the consultation feedback received, and as iterated at the start of this document, this report makes the following implementation proposals:
- 15.2 That a network of community hub buildings as described in the report be established throughout the Borough in order to best serve local communities with good quality, relatively inexpensive accommodation that is fit for purpose and available in the size required and at the times needed.
- 15.3 That where community groups are unable to utilise hubs and the council agree to allow them to remain in existing accommodation that this occupation will be on the basis of a formal lease.
- 15.4 That a community benefit rent reduction policy is introduced to provide funding to reduce some or all of the rental / licence charges in respect of the new arrangements.
- 15.5 That where vacant property is released as a result of the move to hubs, then this will be considered as part of the Council's asset and capital strategies, including consideration of conversion to meet other Council priorities, including provision of affordable housing for families and homeless people or the provision of nursery places for 2 -5 year old children.
- 15.6 There will be a cost to establish and manage the hubs, from both a capital and revenue perspective. These costs will need to be considered as part of the Council's Medium Term Financial Strategy.

16 IMPLEMENTATION PROPOSALS

- 16.1 This will not be an overnight process. It will be a resource intensive process for both the Council and the voluntary and community sector. It is estimated that the process will begin in early 2017 and will take up to 2 years to complete.
- 16.2 The Council will make an immediate start on moving those organisations which will be on community rents with no community benefit rent reduction (e.g. nurseries or places of worship) onto leases with the standard terms set out earlier in this report. This will require the issuing of Heads of Terms,

following by subsequently issuing and then entering into the leases. It is hoped that this first tranche of leases will be completed by July 2017.

- 16.3 While this work is taking place, officers will continue with the work to establish the hubs and start identifying the tenants who will be moving from existing buildings to the hubs. It is envisaged that the first hub will be ready for use by July 2017. In the run up to this, discussions will take place with the identified tenants to explain what will happen and how the hubs will operate. This time will also be used to enter into the licence agreements for regular use of the hubs as well as establish internal procedures for the day-to-day management of the hubs.
- 16.4 The remaining groups will be dealt with on an area by area basis largely following the implementation and availability of hub buildings. E.g. the first tranche of existing tenants will be those who are currently accommodated in the vicinity of the Christian Street hub. This will include organisations who move into the hubs as well as those who are going to be offered the opportunity to enter into a lease.
- 16.5 The next phase will be a review of existing and newly vacant buildings (where tenants have moved to a hub). The review will be informed by and in accordance with the Council's Asset and Capital strategies. Where appropriate these will be converted to provide residential accommodation in accordance with the recommendations of the review. Where buildings are not suitable for conversion, they will be marketed in accordance with the council's adopted procedure for disposals and lettings policy. This will take 6-24 months to cover the entirety of the estate and carry out the work in a manageable way within resource constraints.
- 16.6 All of these stages will involve discussions with individual groups involving representatives from Asset Management and Third Sector Team and, where necessary, THCVS. Other service departments will also be involved (e.g. Early Years Service in the case of nurseries) where there is a need for specialist advice. It will also require legal resource to prepare and complete the lease documentation.
- 16.7 The transition from paying a limited contribution for their building to paying a community rent will not be straightforward for many of these organisations and it may be necessary for a phased introduction of the charges which will be considered in consultation with the relevant service who will also be able to offer business planning advice and mentoring to minimise the impact of the introduction of charges. This will be supplemented by support from THVCS that will be funded by the Council as part of the THCVS infrastructure support contract.
- 16.8 In order to facilitate the process resource will need to be identified in the following areas:
 - Asset Management;
 - Facilities Management;
 - Capital Delivery;

- Legal Services;
- Early Year's Service (For nurseries/playgroups only); and
- Third Sector Team.

16.9 It will also be necessary to set up an appeals mechanism for anyone who feels that they have been unfairly treated by the move to the new basis of occupation.

Implementation of the Community Benefit Rent Reduction

16.10 The council will consider the resource implications of implementing the Community Benefit rent reduction to ensure organisations are supported through the process with support provided by the Council and Tower Hamlets Council for Voluntary Services. It is considered likely that some organisations based in council buildings will require development support in order for them to meet the eligibility criteria and standards for a reduction in rent and this support will need to be provided in advance of the lease arrangements being finalised. It is proposed that each organisation will have a named officer from the third sector team for support, working with the CVS, for the duration of the implementation to ensure continuity and a single point of contact from the Council.

16.11 For those groups who go onto a 3 to 5 year lease, the Council, working with the CVS, will set out a clear and agreed timetable for going through the independent assessment process for the community benefit rent reduction scheme. For some organisations this will be relatively straightforward and may only take up to 3 months to complete. Other organisations will require far more support and guidance to take the necessary action to meet the eligibility criteria for the community benefit rent reduction. The timetable for each organisation will be agreed, formalised and regularly monitored to ensure the organisation has sufficient time and support to meet the criteria, but based on the independent assessment there will be a time limit within which this will need to happen to minimise any avoidable delay or drift in the process.

17 COMMENTS OF THE CHIEF FINANCE OFFICER

17.1 Following initial consideration by the Mayor in Cabinet in December 2015, this report updates Members on the results of the consultation process that has taken place in respect of the use of community buildings and outlines various proposals for the future operation of these assets. It introduces an allocation and charging policy that will be in line with the Council's Capital Strategy and complements the council's Asset Strategy and Corporate Landlord model, and which should enable assets to be used more efficiently.

17.2 The report recommends that community buildings that are well used will be retained but that alternative accommodation should also be made available to smaller community groups through a network of local hubs. This consolidation will provide an opportunity for under-utilised buildings to be considered as part of the Council's Capital Strategy, which forms part of the Medium Term

Financial Strategy. These buildings may be used for alternative purposes or designated for disposal in order to generate capital receipts. Alternatively there is an option for the assets to be used for redevelopment, including the provision of social housing.

- 17.3 The report highlights the current state of disrepair of some of the assets which will require significant capital investment. The capital investment required will need to be considered as part of the Council's Medium Term Financial Strategy, taking account of the outcomes based approach for prioritising resources. Whilst it is also clear that the cost of maintaining and repairing the building may not be covered by the proposed approach and in particular the community benefit rent reduction, it is likely that those costs will maintain the capital value of the asset for the Council and so the benefit from that investment will not be lost as a result of the rent reduction policy in the way described in para. 7.9.
- 17.4 As part of the revised process, arrangements for the letting of buildings will be formalised, with standard leases or licences replacing 'tenancies at will' as necessary. This will enable rental charges to be reviewed and set at an appropriate level to ensure cost recovery. The maintenance liability and the responsibility for statutory charges will also be formalised through incorporation into the legal agreements. The proposed responsibilities are outlined in the table in paragraph 4.3.
- 17.5 Rental income on leases will be set as, based on an open market rental valuation of the property for community use (Class D1 of the Town and Country Planning (Use Classes) Order 1987).
- 17.6 Rental levels are likely to be higher than those currently in place, however it is proposed that these rents are reduced (i.e. a rent reduction is applied) if the lessee provides community benefits through its use of the asset. It is estimated that 18 council buildings may be eligible for a reduction, which based on a reduction proportion of 80% and a total rental income assessed at £398,695, would reduce the income generated on these assets to £79,739 (see paragraph 13.12).
- 17.7 Given that the proposed 80% reduction is based on adopting the same discount as for charitable rate relief it will be necessary, in the light of the experience of organisations applying for the community benefit rent reduction, to review the actual costs, income forgone and benefits received as a result of this proposed policy. This will enable a more rigorous evaluation of the impact of the policy to be determined and inform future years' proposals.
- 17.7 Licences will be used for the hiring of space in the community hubs, with charges set to recover the costs of managing and maintaining the buildings. Charges will differ depending on whether the space is being used for community events, private events or commercial use. The revenue costs associated with the management, administration and maintenance of the buildings will need to be quantified for inclusion in the council's Medium Term Financial Strategy.

- 17.8 A significant number of the council's community buildings are held under Housing Revenue Account (HRA) powers, and Tenant and Resident Associations (TRAs) recognised by Tower Hamlets Homes will continue to lease some of these assets on a peppercorn rent basis. However, there are other community groups that use HRA facilities but provide General Fund services, and in these cases fees must be levied by the HRA or a financial contribution made by the General Fund for the use of these assets. As a result of this it will be necessary to demonstrate that the HRA is not disadvantaged by this approach.
- 17.9 Alternatively, in cases where voluntary and community sector organisations exclusively provide General Fund services from HRA facilities, it is possible to appropriate the building to the General Fund under Section 122 of the Local Government Act 1972.
- 17.10 An appropriation will result in the transfer of land to the General Fund from the HRA. As a consequence there will be a financial adjustment between the relevant HRA and General Fund Capital Financing Requirements equating to the market value of the asset. This would result in increased loan charges being charged to the General Fund with a corresponding reduction in HRA capital charges. Future rental income will however be credited to the General Fund rather than the HRA.
- 17.11 Overall, it is anticipated that savings will be made as a result of the allocation and charging policy, primarily through a reduction in maintenance and other costs in respect of underutilised assets. As these savings are still to be quantified they have not been included in the council's Medium Term Financial Strategy. It is anticipated that savings will predominantly be generated in the longer term as leases are formalised, however savings will be incorporated into budgets as they are realised over the course of the property by property review that is being undertaken. Over time, the policy should lead to a better use of the council's assets, with buildings only being retained if they provide a service or generate income.
- 17.12 The cost of the Community Buildings review to date has been met from within existing budgetary provision. Additional resources are likely to be required to implement the recommendations arising from the review and these will also need to be considered as part of the Medium Term Financial Strategy.

18 LEGAL COMMENTS

- 18.1 The report seeks recommendations in respect to the establishment of community hub buildings, the regularisation of lease arrangements on a restricted D1 use market rent for those community groups who are unable to utilise the hub buildings and the introduction of a community benefit rent reduction policy for qualifying voluntary and community sector groups.

- 18.2 The Council's powers in relation to property disposal are set out in legislation. Having regard to the type of properties held by the council for the purpose of community use, Section 123 of the Local Government Act ('LGA') and Section 32 Housing Act 1985 ('HA') are most relevant. The HA applies to land held under the Housing Revenue Account and the LGA applies to land held under the General Fund.
- 18.3 The LGA provides that the Council may dispose of land, but that where it does so, it must do so (other than by way of a lease of under 7 years) for a consideration not less than the best that can reasonably be obtained, failing which it requires the consent of the Secretary of State before disposing. To the extent that the proposals relate to the grant of a new lease, the maximum term to be agreed will be 5 years. Accordingly, the requirement to obtain best consideration is not invoked.
- 18.4 The HA states that a local authority may not dispose of any land (including by lease) held by them without the consent of the Secretary of State. The Secretary of State has issued the General Housing Consents 2013 which permit the disposal of land held for housing purposes without the need to obtain express consent in certain circumstances, including disposal of land for a consideration equal to its market value.
- 18.5 In respect to the proposed community benefits rent reduction scheme, this is tantamount to a grant system. The Council has various powers to offer financial assistance, including pursuant to the general power of competence under section 1(1) of the Localism Act 2011, which permits it to do "anything that individuals generally may do".
- 18.6 However, the Council does needs to be mindful that in certain circumstances, the giving of financial assistance can amount to State Aid, which is generally prohibited. Specifically, State Aid is any advantage granted by public authorities through state resources on a selective basis to any organisation that could potentially distort competition and trade in the European Union. The definition of State Aid is very broad because 'an advantage' can take many forms, including a rent reduction.
- 18.7 There is a de minimis threshold for the purposes of European restrictions on State Aid, which amounts to €200,000 over any rolling 3 year period. If, therefore, over a rolling period of 3 years, the benefit is less than €200,000, the European restrictions on State Aid do not apply. However, notwithstanding that the de minimis threshold may not be exceeded in each case, the Council in exercising its functions and spending public funds is required to act in a fair and reasonable way. As such, granting only certain organisations who engage in economic activity and who occupy a community building (for example nurseries) a rent reduction such that the effect would be to favour them over others and potentially distort competition, may be reasonably considered to conflict with the public law principles of fairness and reasonableness.

- 18.8 Whether particular community groups who apply for a rent reduction are considered an organisation engaged in economic activity will be for consideration on a case by case basis.
- 18.9 The Council is required under section 3 of the Local Government Act 1999 to “make arrangements to secure continuous improvements in the way in which its functions are exercised, having regard to a combination of economy efficiency and effectiveness”. This duty, commonly referred to as the 'best value duty', is separate and distinct from the best consideration, or market value duty in terms of property disposals. Best value is in part a financial consideration in terms of value for money, which can be demonstrated by obtaining market rent for property lettings or disposals. The proposals are that open market rent as described in this report be obtained. Best value can also include consideration of community or social value, such that offering particular voluntary to community sector groups a rent reduction can satisfy the best value test.
- 18.10 In accordance with the Equality Act 2010, the Council must have due regard to the need to eliminate unlawful conduct, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not. Given the nature of the organisations who use the community buildings and to whom the community benefit rent reduction policy might apply, a proportionate amount of equality impact analysis has been undertaken in order to assess and mitigate any likely impact of the criteria/policy on groups who share a protected characteristic.
- 18.11 The Secretary of State for Communities and Local Government Directions made on 17th December 2014 pursuant to powers vested in him by the Local Government Act 1999 (“the Directions”), provide at paragraph 4(i) that the Council must “take the actions set out in Annex A...”. Paragraph 5 of Annex A requires that the Council, until 31 March 2017 “obtain the prior written agreement of the Commissioners before entering into any commitment to dispose of, or otherwise transfer to third parties, any real property other than existing single dwellings for the purposes of residential occupation”. Any disposal of land or buildings under the proposed policy will therefore require the agreement of the Commissioners.
- 18.12 The Directions provide at Paragraph 4(ii) and Annex B provide that the Council’s functions in relation to grants also be exercised by the Commissioners. This is subject to an exception in relation to grants made under section 24 of the Housing Grants, Construction and Regeneration Act 1996, for the purposes of section 23 of that Act (disabled facilities grant). In respect of the community benefit rent reduction, this is likely to be regarded as a grant and, accordingly, the consent of the Commissioners is required.

19 ONE TOWER HAMLETS CONSIDERATIONS

- 19.1 Supporting the voluntary and community sector will increase social capital as well as foster and strengthen community cohesion. The role of the sector in helping reduce poverty is well established; through advice provision, and increasing the employability and job prospects of local residents.
- 19.2 While 78% of residents agree that people from different backgrounds get on well together in Tower Hamlets, recommendations which actively encouraging subletting and shared usage of buildings will also help bring different parts of the Tower Hamlets community together.
- 19.3 While consultation feedback is difficult to draw upon (due to the high numbers of respondents preferring not state their equalities characteristics, and the consequent sample size) several responses expressed that the management of community hubs required equitable policies to be in place, some respondents felt they would be more inclusive if directly managed by the council.
- 19.4 A full equalities analysis has been undertaken (appendix 7) in relation to the Community Benefit rent reduction policy. As a result of performing the analysis, the policy does not appear to have any adverse effects on people who share Protected Characteristics and no further actions in addition to those set out in the action plan are recommended at this stage. The action plan details what mitigation will be in place to ensure both the eligibility criteria and process comply with the Council's equality duty.

20 BEST VALUE (BV) IMPLICATIONS

- 20.1 The recommendations in this report are closely aligned with the council's Best Value Action Plan, which was drawn up following the issuing of Direction from the Secretary of State for Communities & Local Government in December 2014. Recommendations around establishing network of community hub buildings will encourage better utilisation of council assets and will help demonstrate the council's continued compliance with its best value duty.
- 20.2 The proposed principles in this report will ensure that properties are occupied on the basis of formal leases or, in the case of TRAs, management agreements. They represent an efficient and effective use of the council's estate by seeking to recover some of the costs incurred in holding these properties and clearly setting out the respective roles and responsibilities of the landlord and tenant.
- 20.3 In proposing a rent reduction for those organisations which are able to demonstrate they provide additional community benefits, the Council is making a conscious decision to forego the potential additional rental income from this approach which is estimated at £335,713 in total across the 18 buildings currently modelled as providing community benefits. This equates to around £18k per building and given that this benefit will only be given once a

formal process has demonstrated there is a tangible benefit to the Council it would appear to represent a cost effective use of the Council's resources.

21 SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 21.1 There are no immediate and significant sustainability implications arising from this report. As part of the property-by-property review, the service identified poor performing buildings and proposal measures to increase their efficiency subject to the availability of funding. For those buildings in the poorest state of repair a decision will be taken around cost efficiency which may lead to a decision on conversion and disposal.

22 RISK MANAGEMENT IMPLICATIONS

- 22.1 Having a clear, consistent and transparent policy on charging and allocation of community spaces and buildings will minimise the risk of challenge on decisions the council takes in relation to allocating and charging for community-owned buildings.
- 22.2 It also provides increased clarity on the respective roles and responsibilities of the tenant and the council (as landlord). The tenant will be responsible for carrying out all statutory testing, and the requirement for this will be enforced through the terms of the lease.

23 CRIME AND DISORDER REDUCTION IMPLICATIONS

- 23.1 There are no immediate crime and disorder reduction implications arising from this report.

24 SAFEGUARDING IMPLICATIONS

- 24.1 There are no immediate safeguarding implications arising from this report. Community groups who work with young children or vulnerable adults will be expected to comply with all relevant legislative requirements, as well as any specific conditions arising from any award from the council.
- 24.2 This element will be managed by the relevant service directorate.
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Linked Reports, Appendices and Background Documents

Linked Report

- Cabinet Report, 1 December 2015, Community Buildings, Allocation and Charging Policy

Appendices

- Appendix 1 – Location of council-owned community buildings

- Appendix 2 – Location of community buildings owned by the council and other providers
- Appendix 3 – Rent reduction simple assessment
- Appendix 4 – Community benefit rent reduction process and flowchart
- Appendix 5 – Community Benefit Rent Reduction Assessment Panel Terms of Reference
- Appendix 6 - Equality Analysis Quality Assurance Checklist (Property)
- Appendix 7 – Equality Analysis (Community Benefit Rent Reduction Scheme)

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- None

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