


<p>Non-Executive Report of the:</p> <p>Overview and Scrutiny Committee</p> <p>Monday, 24 February 2020</p>	
<p>Report of Sharon Godman, Divisional Director Strategy, Policy and Performance</p>	<p>Classification: Open (Unrestricted)</p>
<p>Challenge Session Report - Premises Charges and Community Benefit Rent Reduction Scheme</p>	

Originating Officer(s)	Katy McGinity, Strategy & Policy Officer
Wards affected	All Wards

Executive Summary

The report provides an overview of the Scrutiny Challenge Session on Premises Charges and Community Benefit Rent Reduction Scheme undertaken by the Scrutiny Lead for Resources & Finance and makes six recommendations for consideration by the Overview and Scrutiny Committee.

Recommendations:

The Overview and Scrutiny Committee is recommended to:

1. Note the report and agree the recommendations made by the Scrutiny Lead for Resources & Finance.

1. DETAILS OF THE REPORT

- 1.1. The scrutiny challenge sessions aimed to assess the impact that the introduction of premises charges has had on Voluntary and Community Sector organisations that occupy council buildings in Tower Hamlets. It also aimed to assess the effectiveness of the community benefit rent reduction scheme in mitigating any potential impacts including whether the scheme goes far enough to ensure a thriving voluntary and community sector.
- 1.2. The session was chaired by the Scrutiny Lead for Resources and Finance Councillor Tarik Khan and attended by council officers, partners and community organisations who contributed to the session.
- 1.3. The report makes six recommendations which will work to influence change in this area and inform the on-going review of community premises currently being undertaken by the council. The recommendations are set out below:

Recommendation 1: That the council amends the community benefit rent reduction scheme to recognise the value nurseries/playgroups, faith groups and Tenants and Residents Associations bring to the community.

Recommendation 2: That the council develop a vision and strategy around community buildings that recognises the value these premises brings to residents and VCS organisations alike.

Recommendation 3: That the council uses its website and other communication channels to set out information around its community buildings including availability, location and how they can be accessed by VCS organisations.

Recommendation 4: That the council monitors the use of premises leased to VCS organisations to ensure they're being used within the terms of the lease and/or funding agreement.

Recommendation 5: That the council works with partners to provide capacity building to VCS organisations on matters relating to facilities management of premises.

Recommendation 6: That the council develops a vision and strategy for community hubs to enable VCS organisations to take a lead role in managing and facilitating affordable access to these premises.

1.4 This report and the recommendations made will work to highlight the Voluntary and Community Sectors unique and powerful role within the fabric of the Tower Hamlets community.

2. EQUALITIES IMPLICATIONS

1.1 The council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct under the Act;
- Advance equality of opportunity between people who share those protected characteristics and people who do not; and
- Foster good relations between people who share those characteristics and people who do not.

1.2 The Voluntary and Community Sector play an important role in the council meeting its duty under the Act through providing among other things employment, key services and community spaces for residents which make a positive impact in the lives of residents through helping eliminate discrimination, advancing equality of opportunity and fostering good relations between people.

- 1.3 This report works to influence change in relation to council premises and its relationship with the Voluntary and Community Sector to ensure their role in the community and their impact on residents can successfully continue.

3. COMMENTS OF THE CHIEF FINANCE OFFICER

- 3.1. No amendments should be made to the current Community Benefit Rent Reduction Scheme (CBRRS) without identification of the increased cost and/or reduced rental income from any changes, and the appropriate identification of recurrent budget to meet this.
- 3.2. The Council should also review the current cost and income impacts of the CBRRS to ensure that the current arrangements (including the wider application from organisations in buildings in the council's community premises portfolio being extended to all VCS organisations occupying council premises, including premises that may have planning use other than D1) are affordable and sufficient recurrent budget has been identified to fund this.
- 3.3. Any unfunded (or short term funded) budgetary pressure from the current scheme and/or proposed changes to the scheme would require the consideration of:
 - a) decreases to the current CBRRS to bring the cost/income impacts within the levels of existing permanent budget
 - b) presentation of a 2021-22 growth bid as part of the Council's 2021-24 medium term financial strategy, allowing Council to consider this against other growth and savings priorities.

4. COMMENTS OF LEGAL SERVICES

- 4.1. The Council has the legal power to implement the Scrutiny Lead for Resources & Finance's recommendations as set out in this report.
- 4.2. As regards recommendation 1, the types of organisations that may apply for the rent reduction will have to comply with the other criteria already set out in the application process.
- 4.3. The Council will continue to ensure that any successful application will not be deemed to give a material advantage to the applicant within which the relevant applicant operates. Therefore, applicants will continue to have as their primary purpose something other than the generation of profit or other advantage beyond the services they provide to the community.
- 4.4. The Council will ensure that all faith organisations have an equal access to the reduction scheme regardless of the faith which they represent.
- 4.5. In any event every application will continue to be subject to appropriate levels of equality assessment as will the scheme as a whole from time to time to ensure continued compliance with the Council duty under S.149 of the Equality Act 2010

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- Scrutiny Challenge Session Report – Premises Charges and Community Benefit Rent Reduction Scheme

Local Government Act, 1972 Section 100D (As amended)

List of “Background Papers” used in the preparation of this report

- None

Officer contact details for documents:

Katy McGinity, Strategy & Policy Officer
Katy.mcginity@towerhamlets.gov.uk