Draft Rent Framework Policy

For Council-owned and leased properties occupied by the voluntary and community sector

This policy framework sets out how the London Borough of Richmond Upon Thames ("the Council") will consider financial support for voluntary and community sector organisations occupying Council-owned or leased properties.

It updates and refreshes the Council's previous approach to voluntary sector rent subsidies agreed in September 2011 and ensures it better reflects existing practices. The Policy also aims to provide greater consistency, transparency and accountability in how financial support is considered, agreed and monitored.

The lease, licence or other relevant agreement will set out the market rent payable for a property, while any financial support towards that rent will be considered separately through this framework. This policy applies only to financial support linked to the occupation of Council-owned and leased property. It does not replace or govern other grant funding, contracts or financial support that organisations may receive from the Council.

The Council recognises the important role played by a strong, diverse, sustainable and resilient voluntary and community sector in supporting residents, strengthening community participation and building community capacity. Financial support should help organisations continue delivering community benefit, make effective use of Council-owned and leased property and contribute to local priorities.

The Finance and Resources Lead Member, the Vice Chair of the Finance, Policy and Resources Committee, and the Spokesperson for Communities, Equalities and the Voluntary Sector will be informed of significant decisions and issues arising from implementation of the framework. This includes decisions outside of this framework that require their approval, as well as considerations and decisions regarding organisations that may not be fully meeting their commitments.

Qualifying criteria

To receive financial support, organisations should occupy a Council-owned or leased property under a lease, licence or other tenancy agreement with the Council, and:

- Be not for profit.
- Provide services that benefit our communities and support Council priorities or service strategies.
- Be a well-run organisation with good governance and appropriate policies.
- Demonstrate ability to sustainably, legally and safely manage the property and deliver services, demonstrating how they will maximise use of the property.

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- Comply with relevant legislation and regulation, such as data protection, employment, health and safety, protection of children and vulnerable adults and equal opportunities legislation.
- Have and maintain insurance policies that provide sufficient cover for any risk or loss incurred by the provider, for example public liability insurance and employer liability insurance.
- Embrace equality, diversity and inclusion and demonstrate their activities – and where appropriate, use of the property - are open and accessible to a wide range of residents in the borough.
- Demonstrate partnership arrangements or collaboration with other VCS organisations or local services.

Voluntary and community organisations who receive Council financial support must reference the full value of the financial support in their charitable accounts and acknowledge this support in their public-facing communications, to ensure full transparency on the support they receive from the Council.

Level of financial support

The level of financial support agreed will be determined by the following factors:

- The market rent and operating costs of the property.
- The value of the services delivered and alignment with Council priorities.
- Activities or services that contribute towards reducing Council operating costs.
- Appropriateness of the premises for the service delivered.
- The organisation's ability to generate income or access other funding for property costs, relative to the community activity delivered and the rental and operating costs of the property.

The refreshed policy sets out the following categories of organisations occupying Council-owned and leased property, and the approach to financial support that applies to each.

1. Premises designated for uniformed groups
2. Community organisations delivering wider community benefit
3. Organisations awarded a contract to deliver services on behalf of the Council
4. Organisations not receiving financial support

1. Premises designated for uniformed groups

Uniformed groups include groups such as scouts, guides and cadets. For properties designated for sole use by uniformed groups and no other purposes, the rent will typically be in the region of £500-£600 per annum (applicable to rents agreed in 2026), and typically reviewed every five years. These rents reflect our historical arrangements with our uniformed groups, who have often leased or sub-leased land from the Council and typically restricted use covenants are included in the leases. These rents would not normally be eligible for financial support. The relevant service department (currently

Achieving for Children) will maintain relationships with these groups, and act as a link with the Council.

2. Community organisations delivering wider community benefit

Many VCS organisations occupying Council-owned and leased property deliver valuable activities and services that benefit residents and communities across the borough. These organisations are not directly funded by the Council to deliver services or outcomes, but may receive financial support in the form of a rent abatement, or a grant, in recognition of the community benefit they provide.

Examples of these organisations include community centres, organisations who support vulnerable residents and organisations who help our residents access essential items, arts and cultural venues, sports clubs and organisations involved in nature-based activity. The relevant Council service departments linked with these organisations are Adult Social Care, Community and Partnerships (Chief Executive), and Culture and Leisure.

Delivery of financial support

The level of financial support agreed will be determined by the factors set out in 'Level of financial support' above and any award will be delivered via a rent abatement, or provision of a grant.

The Council does not propose to change the mechanism through which organisations currently receive support. The most appropriate mechanism will be determined on a case-by-case basis, taking account of existing arrangements, the nature of the organisation and the services, activities and outcomes being supported. The level of financial support provided will be determined in accordance with the factors set out in 'Level of financial support', including consideration of the organisation's ability to generate income and access other sources of funding, relative to the community activity delivered and the rental and operating costs of the property.

Organisations receiving financial support from the Council will be required to agree, in conjunction with the relevant Council service department, a proportionate set of activities, outputs, outcomes and community benefits that reflect the support provided. These may comprise a combination of quantitative outcomes and wider community benefit outcomes that align with Council priorities and the objectives of the relevant service department.

The agreements will set out specifically:

- The community outcomes and benefits to be delivered.
- Which communities or groups will benefit.
- How the activities, services and outcomes contribute to Council priorities, service objectives or strategies.
- How the activities, services and outcomes contribute to the social, environmental and economic well-being of the borough.

The form of agreement used will be proportionate to the level of financial support provided. Financial support of less than £20,000 per year will normally be subject to a Community Use Agreement, while organisations receiving financial support of £20,000 or more per year will normally enter into a Funding Level Agreement.

Community Use Agreements: for financial support of less than £20,000 per year

Community Use Agreements are intended to be light touch, while providing a shared understanding of the activities, outcomes, community benefits and reporting requirements associated with the financial support provided. They will ensure our properties are well used and capture the core elements of the organisations' activity.

The agreed outcomes will vary according to the nature of the organisation, the activities delivered from the property and the level of financial support provided. Outcomes should be proportionate and relevant to the organisation's activities and the community benefit being delivered. Outcomes can also be flexible in how they demonstrate alignment with current key Council priorities. Examples of outcomes could include:

Quantitative outcomes:

- Provision of free sessions, tickets, workshops and events for specific groups, or concessions on membership/fees.
- Provision of coaching, mentoring and development of people within the organisation, particularly disadvantaged groups.
- Offer support, available space or collaboration with other VCS organisations, or local services.
- Activity that reduces costs for the Council, such as maintaining land, pitches, nature and conservation sites that would otherwise be maintained by the Council.

Community benefit/qualitative outcomes:

- Increase participation from communities experiencing disadvantage, underrepresented groups or communities identified as priorities within Council plans and strategies.
- Help people to be happier, healthier and improve wellbeing, for example through being physically active, learning new skills, reducing loneliness and isolation.
- Support an increase in coaching and volunteering.
- Help Richmond to be greener and act on climate change.
- Facilitate excellent cultural activity in the borough.

Monitoring

The Community Use Agreement will normally include a Delivery Plan, proportionate reporting requirements and arrangements for annual review.

Where possible, Community Use Agreements will normally run for the same duration as the rent review period set out within the lease or other tenancy agreement. This enables

the Valuation and Asset Management team (VAMS) and service departments to coordinate the rent review and revised Community Use Agreement with the VCS organisation at the same time. For leases, the rent review period is normally five years.

Organisations will be expected to submit a short annual report of activities and reporting requirements, their annual accounts report and a proposed programme for the following year. These would then be reviewed each year by their relevant Council service department as part of the annual review process.

Where organisations have delivered their services in line with the agreed Community Use Agreement, the service department will provide an acknowledgment to the organisation and make the necessary arrangements for the financial support to be provided for the coming year.

Where the annual review by the service department indicates that an organisation has not delivered its services in line with the Community Use Agreement, the service department will first discuss any concerns with the organisation and may request further information to determine whether continued financial support remains appropriate. This may include revising the agreed community outcomes and allowing an improvement period to increase delivery. If agreement cannot be reached, or performance remains consistently below agreed levels, the financial support may be reduced or withdrawn as a last resort.

The Finance and Resources Lead Member, the Vice Chair of the Finance, Policy and Resources Committee and the Spokesperson for Communities, Equalities and the Voluntary Sector will be informed of any concerns and discuss the proposed course of action.

Funding Level Agreements: for financial support of £20,000 or more per year

Organisations receiving financial support of £20,000 or more under this policy will enter into a Funding Level agreement with their relevant service department. These agreements will set out the outputs, outcomes and community benefits that the financial support is intended to deliver and will be proportionate to the level of support provided.

Funding Level Agreements will include a Delivery Plan, agreed performance measures, reporting requirements and arrangements for monitoring and review. Where possible, funding Level Agreements will be for the same duration as the rent review period contained within the lease or other tenancy agreement.

Monitoring

The frequency of monitoring will be determined by the level of financial support provided and the business criticality of the services provided, as set out in the Council's contract management framework, and may take place annually, half-yearly, or quarterly. Organisations will be expected to submit a monitoring report at the specified frequency. Monitoring will be used to assess delivery against the agreed outputs, outcomes and community benefits.

Where monitoring identifies concerns regarding delivery against the agreed outputs or outcomes, the relevant service department will discuss these with the organisation and seek to agree appropriate actions to address them. The Council's approach will be proportionate and will seek to resolve concerns through engagement and improvement planning. However, where obligations within the Funding Level Agreement are not met, or concerns cannot be satisfactorily resolved, the Council may reduce, suspend, or withdraw financial support.

3. Organisations awarded a contract to provide services on behalf of the Council

This includes organisations occupying Council-owned or leased property, who are awarded a contract to deliver services on behalf of the Council. Examples of these organisations include those delivering services under the Community Independent Living Services Partnership. The service department linked to these organisations is Adult Social Care. The services to be delivered, monitoring objectives and monitoring frequency will be specified in the contract and will be in line with the Council's policies and procedures on procurement and contract management. A further Funding Level Agreement is often not needed for these organisations, but where one is required, these will capture the outcomes and how they will help deliver Council priorities, as well as setting out in more detail the agreed performance indicators, delivery plan and outcomes to be delivered.

4. Organisations that do not receive financial support from the Council

There are a number of organisations occupying Council-owned or leased property who are charged a full market rent and do not receive financial support. This policy does not change those arrangements. At present, organisations not in receipt of financial support are sports clubs and cultural venues, where Culture and Leisure would be the link service department. Services would maintain relationships and contact with these organisations.

Governance and authorisation

Across all service departments, designated officers should be made responsible for agreeing and authorising the Community Use Agreement and Funding Level Agreement and this process should be reviewed by an assigned senior manager within the service department.

Additional provisions

Organisations investing capital in the premises

We value and support VCS organisations who wish to invest in premises that they lease or rent from the Council. Where appropriate, we will work with organisations to support their investment, for example offering longer lease or licence terms, or agreeing rent-

free or discounted periods for a specified duration that reflects the value of their investment in the premises.

Transitional arrangements

Where it is determined that organisations will be affected by the implementation of this policy, transitional arrangements may be agreed where necessary to introduce changes to rents, and the application of financial support over a period of time.

In certain circumstances, historic arrangements will best reflect the needs of the organisation. In exceptional circumstances, historic or bespoke arrangements may continue where they remain appropriate. In these instances the rationale will be clearly documented and will require approval by lead members.

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