Draft Voluntary and Community Sector Property Strategy

The London Borough of Richmond upon Thames has a dedicated and thriving voluntary and community sector (VCS). Supported by volunteers and local communities, these organisations play an important role in helping residents, strengthening community participation and supporting community capacity across the borough. Their valuable contribution delivers real benefits that are essential to enhancing the lives of Richmond's residents.

We have undertaken a refresh of our voluntary and community sector property strategy to take into account the changing circumstances and needs experienced by both the voluntary and community sector and the Council since the previous strategy was adopted in 2005.

Purpose and scope

This strategy sets out the Council's approach to leasing and managing property occupied by voluntary and community sector organisations. It provides a fair, transparent and consistent framework for property agreements, rents, financial support and the use of Council assets, balancing effective stewardship of public property with the community benefit these organisations deliver.

It applies to Council-owned or leased properties occupied by voluntary and community sector organisations under a lease, sub-lease, licence or other tenancy agreement with the Council. This includes properties covering a diverse range of services and spaces including community centres, arts and cultural venues, sports clubs, uniformed groups, advice and support for residents and nature-based activities. These groups provide both services developed within our communities as well as organisations providing services in partnership with, or on behalf of the Council.

As a Council, we have a pivotal role in shaping the borough and communities within it. We are dedicated to using our resources, including our buildings, effectively - ensuring they best serve our communities and are used as much as possible. We also act as convenor and enabler, creating opportunities for organisations to connect with both other VCS organisations and with Council services, enabling a strong, diverse, sustainable and independent voluntary and community sector.

We have a duty to ensure we meet statutory obligations when leasing property and when financial support is provided. Decisions should be made consistently, taking account of relevant financial and property considerations, the organisation's use of the property, the services it provides and its community value. This will help ensure Council support remains appropriate and that properties deliver community benefit and support local priorities.

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This strategy outlines how we will use our properties, including our commitments to our voluntary sector partners and to our assets. It sets out the policies, practices and actions we will take to manage our property portfolio to make the best use and maximise community benefits whilst complying with legislation.

Principles which underpin our strategy

- **Fairness and transparency**: We will act with fairness in our decision-making processes about the management of Council-owned and leased properties and clearly explain how and why decisions have been reached.
- **Accountability**: We will ensure that the Council's and VCS organisations' respective responsibilities, obligations and expectations are clearly defined and understood.
- **Mutual respect and trust**: We will maintain strong, positive relationships with VCS partners through clear communication and collaborative working.
- **A partnership-based approach**: We recognise that VCS organisations may need additional support to agree and maintain property arrangements. We will work with organisations throughout the process, treating these arrangements as partnerships rather than primarily commercial relationships.
- **Maximising community benefit**: We will seek to make the best use of VCS properties by considering how frequently and effectively buildings are used, the reach and impact of the community benefits delivered, and how well these benefits align with Council and borough priorities.

Relevant policies, strategies and legal context

In developing this strategy, we have considered a range of policies, strategies, and legal requirements to ensure our approach is comprehensive and aligned with our strategic objectives across the Council. These include:

- Richmond upon Thames Compact
- Asset Management Strategy
- Leisure Strategy – Richmond Moves
- Culture Richmond
- Joint Health and Wellbeing Strategy
- Richmond Climate and Nature Strategy and Adaptation and Resilience Strategy
- Richmond Retrofit Strategy 2025-2030 and Operational Buildings Decarbonisation Strategy
- Relevant legislation such as section 123 of the Local Government Act 1972 - our duty to obtain best consideration for assets, Best Value Duty under Local Government Act 1999, and the Localism Act 2011.

The Richmond upon Thames Compact is particularly relevant to this strategy, setting out the principles that guide the Council's relationship with the voluntary and community sector and our shared commitment to partnership working, consultation and effective use of resources.

Strategic outcomes

Through implementing this strategy, we will deliver these outcomes:

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- **A valued and supported voluntary and community sector**, whose contribution to residents, communities and local priorities is recognised.
- **Stronger partnership working** between the Council and voluntary and community sector organisations.
- **Clear, transparent and consistent property arrangements**, including how properties are allocated, managed and supported.
- **A proportionate approach to managing Council-owned and leased properties that are occupied by the VCS**, reflecting the differing size, purpose, value and circumstances of individual properties and organisations.
- **Properties that respond to community need**, with the right buildings used in the right ways to support residents and local services.
- **Council assets that contribute to strategic and local priorities** and deliver clear benefits for communities.
- **Better use of community buildings**, including increased usage, collaboration, shared use and co-location where appropriate.
- **Secure and up-to-date occupancy arrangements**, with every organisation holding an appropriate lease, licence or other tenancy agreement.
- **Fair and accountable financial support**, linked to effective use of Council property, the community benefit delivered and the organisation's contribution to local priorities.

Our commitments to voluntary sector groups

This section sets out our commitment to VCS groups who occupy our buildings, relating to how we build and maintain relationships, agree leases and licences, set rent levels, and agree any financial support in return for community benefit.

Build positive relationships

Positive relationships with our voluntary sector partners are key to the successful delivery of this strategy. Through this strategy, we aim to support effective partnership working with our voluntary and community sector partners while ensuring Council assets are used effectively and transparently.

We will build a clear understanding of the services our partners provide, how they use Council assets and how their work contributes to local priorities and positive outcomes for residents. We will also remain open to proposals from VCS partners that increase community benefit, improve the use of assets or support Council priorities.

Alongside our responsibility to manage properties effectively, the Council has an enabling role in supporting a diverse, sustainable and resilient VCS. We will connect organisations with relevant networks and support, broker important conversations, and encourage collaboration and co-location where these can improve outcomes and make better use of community assets.

While we have strong relationships with many VCS partners, we recognise that regular contact with some VCS groups has lapsed.

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To strengthen engagement, every VCS organisation occupying Council-owned or leased property will have a point of contact in the Council service area most closely aligned with its work. This contact will help the Council to understand the organisation's activities, the services it delivers and how it uses the property. This will support positive relationships and clearer communication about the organisation's activities, services and community benefit. They will also help implement the refreshed approach to rental financial support, agreeing activities and outcomes within community use agreements and funding level agreements, monitoring these outcomes and identifying opportunities to increase community benefit and make better use of buildings.

The Council's managing agent will remain the primary contact for lease, licence and rent matters, acting on behalf of the Council's Valuation and Asset Management Team. We recognise that while leases and licences create important legal and property obligations, properties occupied by the VCS are not commercial arrangements.

By working in this way, we aim to support stronger partnerships, help VCS organisations continue to deliver valued services for residents, and ensure Council assets are used effectively and transparently for the benefit of communities, the Council and our partners.

Collaboration within the Council

We will strengthen collaboration between teams within the Council that work with VCS groups occupying our buildings, so we can provide more coordinated and consistent support. These include Valuation and Asset Management, Property Services and service departments aligned to the activities and services delivered by our VCS organisations, including Achieving for Children, Adult Social Care, Community and Partnerships, Culture and Leisure.

As part of this collaborative approach, we will involve relevant ward councillors and lead members, as key elements of the strategy are applied.

Property agreements

Through delivery of this strategy, we will establish clear lease and rental agreements with all VCS groups occupying our properties. Where existing leases have lapsed, this will include renewing, regularising or updating agreements. Ensuring all voluntary sector organisations have an agreed and signed lease, sub-lease, licence or other tenancy agreement in place protects all parties, provides clarity on roles and responsibilities, and ensures a fair and consistent approach to the use of Council properties.

We know many organisations are seeking to renew their agreements in order to sustain or grow their operations and pursue funding opportunities. We have heard feedback that the lease and licence renewal process can be time-consuming and complex. While being a leaseholder, tenant or licensee carries responsibilities, we recognise that these can be challenging for some VCS organisations.

We recommend that, where possible, VCS groups seek independent advice from a property professional before signing a lease or licence for premises. We also

understand that obtaining timely professional advice and the costs of obtaining such advice can be a barrier for the voluntary and community sector. We have reviewed our lease and licence documentation with the aim of making it as clear and proportionate as possible, while recognising that some clauses are legally necessary to protect all parties and meet the Council's statutory duties. To support organisations through the process, we will provide plain English guidance explaining key terms, responsibilities and the main stages involved in agreeing a lease or licence.

Leases, sub-leases and licences for Council-owned and leased properties are usually for five to ten years. We recognise that in some circumstances, longer lease terms can support organisations to secure external funding and enable investment in property improvements. Requests for a longer length of lease will be considered on a case-by-case basis, for example, where a longer lease term is required to secure external funding, or to secure a tenant's investment in significant improvements to the premises for the benefit of the community. Organisations would need to demonstrate a viable and sustainable financial and operational plan for managing the building and delivering services for the duration of the full lease period. The Council will also consider the level of financial support provided, the community benefits delivered and the organisation's capacity to manage a longer-term arrangement. Where appropriate, longer lease terms may also be accompanied by additional responsibilities relating to the management, improvement or long-term stewardship of the property, including liabilities that might otherwise sit with the Council.

For leases longer than seven years, organisations must demonstrate how their services and activities contribute to the social, environmental and economic well-being of the borough. This is necessary to fulfil the Council's statutory duty to obtain best consideration for our assets under section 123 of the Local Government Act 1972. All leases longer than five years will include a landlord's break clause, allowing the Council to end the lease early where, for example, the organisation fails to meet its obligations, no longer provides the agreed services or community benefits, or the site is proposed for redevelopment.

Rents

As property agreements are renewed or regularised, each lease or licence will set out the market rent payable, and the Council will explain to organisations how this has been determined.

The rationale for charging a market rent is to comply with the Council's statutory duty to obtain best consideration for our assets under section 123 of the Local Government Act 1972. In this strategy 'market rent' means the rent deemed suitable for the property based on comparisons with similar properties. Each rent will be individually assessed, through a valuation which involves reviewing comparable lettings, considering matters such as the location, size, condition, age to determine the property's market rental value.

By setting rents based on market value, the Council ensures that the rental prices are fair and reflect the current property market, and helps organisations understand how

their rent compares to similar properties. It also enables the Council to demonstrate the value of any financial support provided.

For some voluntary and community sector organisations, renewal of their property agreement may involve regularising and modernising historic arrangements, including moving from a peppercorn rent to a market rent. Where historic arrangements remain, the Council will work with organisations as agreements expire. The market rent will be set out in the lease or licence and any financial support towards that rent will be considered separately through the Rent Framework Policy. There may be exceptional circumstances where a peppercorn rent remains appropriate, which would be agreed by the Council's Valuation and Asset Management Team.

Rent Framework Policy and financial support

Voluntary and community sector groups occupying Council-owned and leased buildings deliver a wide variety of services that benefit residents and communities. The Council provides financial support to many of these groups in recognition of the value and community benefit they deliver.

Financial support can be provided in different ways, including where an organisation:

- Is contracted by the Council to deliver a service and all or part of the rental cost is reflected in the contract price.
- Receives Council grant funding to support agreed activities or services; or
- Receives a rent abatement for all or part of the market rent due on the premises.

The Rent Framework Policy sets out how the Council will consider financial support for VCS organisations occupying Council-owned or leased properties. It updates and refreshes the Council's previous approach, with the aim of supporting greater consistency, transparency and accountability in how financial support is considered, agreed and monitored.

Some VCS organisations occupying Council-owned and leased properties do not receive financial support from the Council towards their rent and meet their rental costs through their own income, fundraising, or other funding sources. Where these arrangements are working effectively and organisations continue to meet the terms of their lease or licence, the Council does not generally propose changes to these arrangements through the Rent Framework Policy. Where financial support is considered, the level of support will take account of the organisation's ability to generate income and any funding or other income available to meet accommodation costs, relative to the community activity delivered and the rental and operating costs of the property. This reflects the Council's longstanding aim of supporting a financially resilient and sustainable voluntary and community sector, with stronger capacity to meet accommodation costs reflected in the level of Council financial support agreed.

The relevant Council service area will work with organisations to agree any related contract, grant agreement or funding level agreement, proportionate to the level and type of support provided. These arrangements will set out the activities, outcomes or

community benefits expected in return for the financial support, the communities who will benefit, and how these contribute to Council and service priorities.

Where contact with organisations has lapsed, we will work with VCS partners to review existing arrangements and build a clearer understanding of the activities and services being delivered, how properties are being used, and how this contributes to community benefit and local priorities. This will support proportionate monitoring and help ensure that any financial support remains transparent, consistent and linked to agreed community outcomes.

Voluntary and community organisations receiving Council financial support will be expected to acknowledge this in public-facing communications, helping to ensure transparency about the Council's contribution and partnership working.

Summary of our actions

We will:

- Ensure all VCS organisations occupying Council-owned and leased properties have a point of contact with the relevant Council service department that aligns with their work, to support positive relationships and communication about their activities, community benefit and contribution to Council priorities, and monitoring of financial support.
- Maintain ongoing collaboration across key departments in the Council.
- Provide plain English guidance to support organisations through the lease and licence process.
- Consider requests for longer leases in line with the circumstances outlined above.
- Implement a revised Rent Framework Policy, and review existing financial support arrangements to ensure they are transparent, fair, and reflective of the services and value provided by the organisations.

Our priorities and commitments to our assets:

This section sets out our commitments to our buildings, covering how we will manage our assets, our approach to repair obligations, maximising the use of buildings, and marketing vacant properties.

Asset management

Our Voluntary and Community Sector Property Strategy will be delivered within the wider framework of the Council's Asset Management Strategy. This will help ensure the property estate is efficient, fit for current and future service needs, and used to maximise benefits for the Council and local communities.

This work is informed by Council service plans, service strategies, and changing property needs. It will be used to inform future property requirements, opportunities for co-location of services in ways that improve how our residents access services, including identifying opportunities for voluntary and community sector use. Work at Twickenham Civic Centre and York House has already created opportunities to use

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Council assets more effectively, including through the development of a multi-use civic centre with a voluntary and community sector hub.

Maximising usage

Achieving maximum usage and community gain from our properties remains a priority, and we will encourage our voluntary sector partners to make best use of available space where possible, enabling community assets to respond to changing local needs and priorities. This includes encouraging organisations to explore opportunities for collaboration, shared use and co-location where these improve outcomes, increase community benefit or make more effective use of community assets. We will explore how we can support organisations to maximise the use of buildings and facilities, including through wider community, private or business use where appropriate and compatible with the property's primary community purpose. Making better use of underused space can help increase the overall value and benefit derived from community assets, support organisational sustainability and ensure buildings remain active and well-used. This may include making underused buildings available for wider community use on additional days or longer hours where appropriate.

Condition of properties

Repairs and maintenance

The lease, licence or other tenancy agreement will set out the repairing, health and safety and maintenance responsibilities of VCS organisations. The Council's usual approach is to assign repairing, maintenance and health and safety responsibilities for these properties to tenants.

Building improvements and sustainability

We are committed to supporting the long-term sustainability of community assets and the services delivered from them. Council-owned buildings vary in size, type, location, age and condition. Organisations occupying these properties vary in their size, resources and capacity to manage property-related costs and responsibilities.

Where organisations are seeking to develop projects and invest in buildings, we aim to continue to support access to relevant funding opportunities and sources of advice that may help improve community assets and the services delivered from them.

The London Borough of Richmond upon Thames has set a target to achieve net zero emissions by 2043. To lead by example, the Council has set a target to become carbon neutral by 2030, significantly reducing emissions from its operations. Decarbonisation of operational buildings is essential to meeting this target. Some of our operational buildings contain space that is leased or rented to our voluntary and community sector partners. Various projects to improve energy efficiency have been implemented across a number of operational sites, supporting our pathway towards net zero within operational buildings. Maximising funding opportunities, particularly government decarbonisation grants, is essential for this work. We will also seek opportunities to share relevant advice, information and funding opportunities with voluntary and

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community sector partners where these support energy efficiency, decarbonisation and the long-term sustainability of community buildings and assets.

We will also work towards a joined-up approach to adaptation and resilience. Our Adaptation and Resilience Strategy identifies the climate risks facing Richmond upon Thames and provides a framework for responding to those risks. Our approach includes sharing advice and guidance with our partners around adaptations and resilience that mitigate climate risks such as flooding and extreme heat. We will also seek opportunities to share relevant information, advice and funding opportunities that support energy efficiency, decarbonisation and the long-term sustainability of community buildings and assets.

Properties becoming available

We are fortunate to have a longstanding and thriving voluntary and community sector. Many organisations have established a long-term presence within Council-owned and leased properties and, as a result, vacancies are relatively infrequent. We recognise that space for voluntary and community organisations is limited and often in high demand, making it important that available community assets are used effectively and deliver the greatest possible community benefit.
When a property occupied by a voluntary and community sector organisation becomes available, the Council will first consider the future use of the property in the context of wider asset management, service and community priorities.

Where it is determined that continued occupation by a voluntary and community sector organisation is the most appropriate use of the property, the Council will seek to ensure that:

- The proposed use is appropriate to the building.
- The property is used effectively and delivers community benefit.
- The proposal supports identified local needs and priorities.
- The Council fulfils its legal duty to obtain best consideration reasonably obtainable for its assets.

Lettings process

Where a property is identified as suitable for continued occupation by a voluntary and community sector organisation, the Council's Valuation and Asset Management Team will establish the evaluation criteria for the letting, working with relevant service departments. This will reflect the potential uses of the building, the needs of the local community and any specific outcomes the Council is seeking to achieve.

The property will be advertised through voluntary and community sector newsletters and via the Council's managing agent. Officers will also inform any community groups that the Council may be aware of with an interest in the property. Appropriate lead members and ward councillors will also be notified of the intention to market the property and the evaluation criteria for the letting.

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The Valuation and Asset Management Team, working with relevant service departments, will review the proposals and assess how they meet the evaluation criteria and align with the Council's strategic objectives and priorities, alongside the organisation's business plan. Where more than one applicant meets the criteria, proposals which maximise the overall use of the building and community benefits will be prioritised.

Once this process has been completed, the Council's managing agent will liaise with the successful applicant to agree the letting terms, and advise any unsuccessful applicants. The relevant service lead will engage with the successful applicant to discuss service requirements and any potential funding opportunities which will form the basis of a Service or Funding Level Agreement. Where financial support is sought, this may be considered through the Rent Framework Policy.

In the event that no suitable voluntary or community group is identified through the lettings process, the Council will reconsider the property's future use in line with its wider asset management priorities.

Summary of our actions:

We will:

- Manage properties occupied by the VCS within the Council's wider asset management framework.
- Seek to maximise the use and community benefit of Council-owned properties including through collaboration, shared use and co-location where appropriate.
- Share relevant information, advice and funding opportunities relating to community buildings and assets.
- Ensure transparent and proportionate processes for allocating vacant properties for VCS use.

Conclusion

This strategy sets out a shared framework for how the Council and the voluntary and community sector will work together to maximise the value of our community assets. Its success will depend on continued partnership, open dialogue and a shared commitment to delivering positive outcomes for residents. By combining effective stewardship of Council assets with support for a resilient and thriving voluntary and community sector, we can ensure these buildings continue to serve as important community spaces that strengthen neighbourhoods, support local people and help deliver the borough's priorities into the future.

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