

Provision of Funding Support for VCS Accommodation

The Council has classified the services provided by Voluntary and Community Sector organisations under two categories in order to determine how they would be best supported with funding for their accommodation. The first category includes organisations from whom the Council commissions services - **Commissioned Services**, and the second category covers those organisations who do not necessarily provide services to the Council but who offer services that are of benefit to the wider community - **Community Services Organisations**.

These arrangements recognise that in future, services directly required by the Council from VCS organisations would increasingly be commissioned, but they also acknowledge that there are a range of community services provided by VCS organisations that are not commissioned by the Council. The Council recognises that both types of organisations may require support with accommodation.

Commissioned services – e.g. Care Providers

Specifications for services commissioned by the Council would ask providers to state in their bids the level of financial contribution required towards their overheads. These should include their accommodation costs. As such, it would not matter whether or not the service provider is based in Council accommodation.

Where the use of a specific Council building is a fundamental part of the service being commissioned e.g. a leisure centre, the service specification would set out the terms for the use of the building, which would include a requirement to enter into a lease and would state the rent to be paid.

For organisations currently based in Council accommodation, rent invoices would be raised, and providers would be required to meet the rent demand from earned income. Rents would be at market rents. Where such organisations are currently provided with specific funding that covers all or part of their rent, the funding would no longer be paid directly to the provider but the Council will pay the proportion of the rent covered by the funding through the use of internal journal transfers.

Organisations falling into this group would not receive any other form of support towards accommodation costs from the Council, with the exception of business rate relief, if they qualify.

Community Service Organisations

Services falling under this classification shall cover the following groups of services:

- Community associations running community centres;
- Organisations offering services that are specific to the building or land they are using or proposing to use, where such use is consistent with corporate priorities e.g. a Croquet Club offering to maintain lawn and run the premises in lieu of rent, or a football club offering to maintain the grass and line the field for a discount on market rent;
- Offers to bring otherwise derelict land/building back to beneficial community use.

In all such instances, organisations would be required to enter into a lease or licence that will reflect the full market rent, and also into a service or management agreement that specifies the services they are to provide for the discount or in lieu of the full rent. The proportion of the rent payment met directly by the Council will cease should the organisation fail to provide the service, or are unable to meet agreed standards.

Any new arrangement for a Community Service organisation to operate out of a Council building would require the approval of the Council Committee responsible for the building.

In all cases, rent invoices shall be raised but are to be paid through internal journal transfers. The service or management agreement would be subject to periodic reviews and non-performance would trigger withdrawal of the rent support provided by the internal journal transfer payment method.

Resolution of current non-compliant occupation of council accommodation

A few existing Council tenancies are known not to be compliant with the Council's accommodation policy. The Council has resolved that these tenancies are brought in line with the proposals set out in this paper by October 2014.

Core Corporate Guiding Principles

The Council recognises that all officers need to work within this new policy to ensure the desired fairness and transparency. The following guidance has therefore been issued to officers and would be incorporated into procurement arrangements.

- All organisations using Council accommodation are required to enter into a lease or licence to document terms of their occupation.
- All requests received for space are to be referred to Asset Management. Managers are not authorised to offer use of Council accommodation of any type to any external organisation without the involvement of the Asset Management team.

- Rents are to be set at market rents in all cases and documented in the lease or licence.
- The Council would require all bids/submissions for commissioned services to explicitly state the level of financial support required as a contribution towards the bidder's overheads which should include their accommodation costs– whether or not they are based in Council-owned accommodation
- Where use of a Council-owned accommodation is linked with a commissioned service, the length of the lease/licence or break clauses inserted in it shall be coterminous with the length of the commissioned service. Break clauses in the lease/licence shall be triggered by termination of the service or by an unsuccessful future bid.