

EQIA – Voluntary Community Sector (VCS) Asset Strategy

Q1a. What is changing?

The Council proposes to introduce a new Voluntary and Community Sector (VCS) Asset Strategy, an important element of the overarching VCS Strategy. A decision is being sought to adopt the strategy.

The VCS Asset Strategy aims bring clarity by formalising a VCS Portfolio of premises to be let on consistent lease terms and managed with transparent and fair processes. The Council has supported voluntary and community sector partners, whether by way of grant, accommodation, or other forms of assistance, over many years. There is a significant portfolio of Council owned community and voluntary sector premises across the borough, however, this strategy doesn't impact VCS organisations that are part of other policies or strategies such as the Youth and Play Early Adopter portfolio, the Tenants Halls or those properties that have long lease agreements with the Council. The strategy impacts 49 properties and, once vacant premises and organisations with multiple units are excluded, 39 organisations.

The strategy makes several changes that will define a new relationship with those VCS organisations that occupy premises on short or medium terms agreements. The changes can be summarised as moving from inconsistent lease terms with no support for or accountability from VCS occupiers to creating a specific VCS Portfolio of properties let on consistent lease terms (The Letting Policy) within a specific management framework (The Social Value Self Evaluation Tool, The Portal, The Panel and the Liaison Officer). The overall purpose is to improve transparency, fairness and accountability for the use and management of premises. The strategy is designed to move from the view that a building belongs to an occupying community group to the occupying group being custodian of the asset for the benefit of Lambeth's residents.

Existing terms of occupation have developed over time with some groups paying rent, some paying no rent and others paying reduced rent. Similarly, an inconsistent approach to management means that many premises have been poorly maintained. The current maintenance backlog poses potential Health and Safety risks to building users. Another issue is that there has been little transparency about occupying organisations or accountability for use of premises. There are estimated to be over 1,500 VCS groups in the borough which means that only a very small number (fewer than 7%) enjoy Council owned premises, and fewer at nil or a low rent. A key purpose of the change is to improve the social value outcomes and impact from the portfolio. The improvement, if achieved, will have a direct impact on residents with protected characteristics.

The elements of this strategy are:

- The Letting Policy, including a new consistent approach to subsidised rent and future repairs - Copy attached
- The Social Value Self Evaluation Tool - Copy Attached
- The Panel – terms to reference to be finalised
- The Portal – that part of the Council's website supporting the strategy – in development
- The VCS Tenant Liaison Officer – new post to develop and improve relationships with VCS Portfolio tenants – JD to be finalised
- The funding of the maintenance backlog - £2.25m set aside in the capital programme

The impact sought from the adoption of this strategy focusses on fairness, accountability and transparency and can be summarised as follows;

- Fairness and transparency in the allocation of community facilities - *set out in the letting policy*
- Fairness and transparency in letting terms - *set out in the letting policy*
- Fairness and transparency in the subsidised rental levels charged - *set out in the letting policy*
- Fairness and transparency in operation of the landlord and tenant relationship – *set out in the letting policy, and managed through the VCS liaison officer and the Panel*
- Support for the VCS Portfolio occupiers - *provided through the liaison officer, the portal and the panel*
- Transparency and accountability for the use and occupation of premises – *provided through the social value self-evaluation tool, the panel, the VCS liaison officer the letting policy and the portal*
- Repair of the maintenance backlog – *funded by the Council on adoption of new lease terms*
- A sustainable model for funding future external and major repairs to the premises – *set out in the letting policy*

Q1b. Who will be involved in approving this decision?

Cabinet

Q2a. What do we know about the people who will be impacted by this change?

The strategy will affect 39 existing VCS organisations that occupy Lambeth premises for the benefit of residents and communities. In undertaking this EQIA, we have analysed existing organisations by reference to their leadership and those with protected characteristics that they serve. To undertake this analysis we have relied on published charity registration information, existing corporate data provided by the VCS organisations and responses to the VCS Asset Strategy consultation that took place between 26th February 25th April. Where organisations have set out a general policy to be inclusive or to support all residents the analysis has not identified that organisation as supporting all protected characteristics but focused the analysis only where an organisations has stated that they provide support specifically for individuals with a particular protected characteristic.

As the premises identified in the strategy are used to provide community services and facilities, the changes have the potential to impact on the users of services as well as the organisations running the buildings. The types of services provided from the premises indicate the likely users. Across the portfolio the services are extremely varied but key themes emerge including programmes that support, in adults; literacy, social wellbeing, job seeking, advice and counselling. For children: programmes that support life skills, supplement education, tackle exclusion. For the elderly; social networks preventing loneliness, providing advice. For all; health, wellbeing and volunteering opportunities.

Some organisations focus on specific ethnic communities, such as Somalian or Vietnamese and others have special interests such as theatre, gardening, bee keeping, horse riding. The services and special interests intersect however making it difficult to identify specific protected characteristic that will be uniquely impacted. Overall, however, the changes will impact a greater proportion of people with protected characteristics as described by the Equality Act 2010. These individuals are more likely to be accessing the services and support networks provided in well-run community facilities.

In particular the organisations currently operating from these premises tend to support age related protected characteristics, (babies, children, young people, adults needing support and the elderly as well as those with a disability, race and ethnicity, health and wellbeing, socio-economic needs and language needs. Fewer organisations focus specifically on gender reassignment, marriage/civil partnership, pregnancy/maternity, religion, gender, sexual orientation.

When age is analysed by youth and elderly, more organisations supporting the elderly appear to be impacted by rent increases and more organisations supporting children and young people likely to receive rent decreases.

What does your information tell you about the people who will be affected by this change? Are protected groups impacted? What information do you hold on the protected characteristics of the people affected by the change? (Age, disability, gender reassignment, pregnancy and maternity, race/ethnicity, religion or belief, gender, sexual orientation, health, socio-economic, language) Are there any gaps or missing information?

Q2b. How will they be impacted by the change?

We have identified that a higher proportion of individuals with protected characteristics are likely to be users of VCS premises, than those in the general population.

Where the strategy is designed to:

- improve fairness and transparency in the allocation of community facilities,

the adoption of a formal transparent published application process (as set out in the letting policy) will provide equal opportunity for applicants to put forward proposals for use of vacant premises and for the equalities impact to be reviewed in considering the successful application.

Where the strategy is designed to:

- improve the operation of a VCS landlord and tenant relationship,
- provide support for tenants, and
- improve accountability for the use of premises,

the potential impact will be an improvement in the social value enabled by the letting premises at subsidised rents to VCS organisations. This will present a positive outcome for all protected characteristics. The aspects of the strategy that support these outcomes are the social value self-evaluation tool which will result in publicity about the tenants and the services they provide, the VCS liaison officer that will have a role of helping organisations, by using the mechanisms in the letting policy, to enable improvements. The Panel will provide oversight and support and the portal, as well as providing information about the groups, will provide information for the groups, including signposting to support networks and signposting for VCS organisations seeking affordable accommodation.

For those aspects of the strategy designed to:

- improve fairness and transparency of rent paid, and
- improve future repairing responsibilities

this will have a different impact on different organisations in particular the change in rent. Those currently paying no rent will be asked to start paying a subsidised rent. However, the increase will be brought in gradually. Those paying market rent will be offered a rent reduction immediately. It is anticipated that 18 organisations will have an increase in rent and 21 organisations will benefit from a rent reduction, which will be brought in immediately. When broken down by each protected characteristic, in every case there are marginally more organisations facing a rent decrease than a rent increase.

The rent increases are also balanced out by the Council committing to put premises into repair on adoption of the new lease terms and then committing to long term maintenance for the exterior of the premises and major capital items, all organisations will benefit from the strategy in this way. Where vacant, premises will be retained in the VCS portfolio enabling premises to be marketed to the VCS at the subsidised rent level instead of market rent, retaining opportunities affordable accommodation for VCS groups.

The rentals level proposed have been assessed by reference to retention of the existing rental income received from the portfolio with the addition of funding the liaison officer. This represents an overall rental subsidy by the Council to the sector of almost £900,000 per annum. This proposal redistributes the Councils existing rental subsidy fairly with all organisations being asked to pay a subsidised rent. The subsidised rental levels are set between £3.45 per square foot (psf) and £5.75 psf, with market rents being typically between £17-£30psf. The rents are not however linked to market rent.

While individual organisations will be impacted differently by the rent changes, overall, the impact of the rent increases is considered neutral. This is for three reasons as follows:

- Where rent is being increased the increase will be brought in gradually. This will provide time for organisations to adjust their approaches to income generation from grant funding, users, hiring, sharing volunteers etc and consider reductions in outgoings,
- Where rent is being increased organisations will have a decreased liability for repairs
- While rent is being increased for some organisations, the rent decrease for other organisations will balance out the impact on service provision, if service provision is impacted
- While rent may impact some organisations the overall strategy, with increased focus on accountability will support an increase in social value delivery.

In relation to leadership of organisations, 23 organisations have been analysed as having Black, Asian And Multi Ethnic leadership. Of these 9 will see a rent increase while 14 will receive a rent decrease. Of the 23 Black, Asian And Multi Ethnic groups 11 can readily be defined as Black African / Caribbean lead. Of those 8 will be subject to a rent increase. This represents a disproportionate impact. The introduction of the SVSET will go on to enable us to collect accurate Equalities data on both provider and their governance structures as well as equalities data on service users which current is absent which has implications on our ability to assess the impact of proposed changes. We are however able to use officer insights that we do hold on groups.

Q3a. How do you plan to promote and deliver any positive impacts of the proposal?

The policy proposes a transparent and consistent approach to the terms of occupation and levels of rent subsidy received. This will be promoted primarily through the VCS Web Portal. The Portal will promote the letting policy, provide access to a tenants handbook, publish elements of the social value self-evaluation, thus

identifying services provided, signpost organisations to support networks, capture information from VCS organisations looking for space and explain the Council subsidy to the sector. The Council's rental subsidy for the sector is hidden at this time. Some organisations have their rent completely subsidised and others pay market rent.

This will be public information and available to all. It should raise awareness of the VCS organisations and the services they deliver. It is proposed that the standard community lease will be for a period of up to 10 years. It is anticipated that this will allow groups a reasonable period to establish services and build capacity. A central aspect of the framework is supporting organisations to evidence social value and how they are advancing equality and removing discrimination. Another theme is increasing utilisation of premises by encouraging sharing of accommodation.

The impacts of the strategy will be assessed by the Panel after three years capturing the impact of the strategy on enabling sustainable well managed organisations delivering social value from a VCS Portfolio of properties and whether the objectives of transparency, fairness and accountability have been achieved.

Q3b How do you plan to address and mitigate any negative impacts of the proposal?

The proposals are supported by a Council decision to carry out repair and maintenance capital works on the properties once the tenants accept the terms of a new community lease. The condition of the premises will thereby be improved, with a corresponding reduction in reactive maintenance costs.

It is recognised that some tenants may find themselves having to pay rent for the first time or see an increase in the rent that they pay. We have identified that Black African /Caribbean led organisations will be disproportionately impacted and we will ensure proactive targeted support is provided to these groups and this will be part of the EDI objectives of the VCS Liaison Officer and Panel oversight work in line with our duty to advance equality of opportunity.

The impact of the increase will be mitigated by immediate access to repairs to the property, and ongoing support for major capital repairs from the Council into the future. In addition, the Council will aid the tenants facing increases in one or more of the following ways:

- a delay in the commencement of any increase in rent by one year
- the introduction of stepped rent increases thereafter, with the new subsidised rental level not being paid until the 6th year of the strategy.
- signposting to grant funding opportunities and support for organisations,
- ability to review property requirements if existing accommodation is under utilised
- support with identifying opportunities for reductions in outgoings, and
- ability to share space with other organisations and share costs,

Q4. How will you review/evaluate your proposal, mitigating actions and/or benefits? Who will be responsible for this?

The VCS Panel will be responsible for ensuring that the new adopted strategy supports VCS groups to deliver their social value objectives, while paying a subsidised rent. Their particular focus will be on assessing the needs for support from the sector. They will also oversee the self-evaluation reporting on an annual basis and review the benefits and impact of the VCS Asset Strategy in practice, receiving the formal assessment of the strategy after three years.