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# London Borough of Lewisham

## **Consultation: Future support of the Council's Community Assets to the Voluntary and Community Sector.**

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January 2015

Cultural and Community Development Service  
2nd Floor, Laurence House  
1 Catford Road, London SE6 4RU  
[Community.Enterprise@lewisham.gov.uk](mailto:Community.Enterprise@lewisham.gov.uk)

## Part 1 – About this Consultation

### Topic of this consultation

1. This consultation is asking for your views on the way in which council assets, such as community centres, sports grounds and other buildings, will provide support to the voluntary and community sector (VCS) in the future.

### Audience

2. The consultation is aimed at voluntary and community organisations that provide services in London Borough of Lewisham, particularly those that currently use Council facilities or have an interest in using Council facilities in the future. We would also welcome the views of other public or private sector partners who work with the voluntary and community sector in Lewisham.

### Duration

3. The consultation will be open for until 30 March 2015, this is the deadline for responses.

### How to Respond

4. There are several ways to respond to this consultation:
  - By e-mail to:  
Community.Enterprise@lewisham.gov.uk
  - By post to: Grants and Information Team, 2<sup>nd</sup> Floor, Laurence House, 1 Catford Road, London SE6 4RU
  - By attending the consultation event

There will be consultation meetings on:

4 February 2015 at 7pm in the Council Chamber, Civic Suite, Catford SE6 4RU

Places at this consultation event must be booked in advance by emailing [Community.Enterprise@lewisham.gov.uk](mailto:Community.Enterprise@lewisham.gov.uk) . Due to the size of the venue places may need to be limited to one person per organisation.

### After the Consultation

5. Once the consultation has closed all responses will be considered and a summary of responses included in a report going to the meeting of **Mayor and Cabinet Contracts in April/May 2015**. This report will seek approval for the proposed approach to using council assets to support the voluntary and community sector. There would then be additional individual consultation with organisations that are directly impacted by any of the recommended changes.

## Part 2 – Background

### Background

6. Currently the Council supports a number of VCS organisations to access certain facilities (i.e. Council owned assets).
7. Since May 2010 the council has cut £82 million from its budget. Lewisham Council needs to make a further £85 million reduction to its controllable budget over the next 3 years. This equates to approximately a 30% reduction of the controllable budget. For this reason the council has been undertaking a fundamental review of all its budgets. This includes looking at the costs of maintaining it's range of assets and the potential income that these assets could generate for the council that could be used to fund other services.
8. In order to release substantial revenues savings and therefore safeguard frontline service delivery, the council is in the process of reducing its public buildings. This work has already commenced with the transfer of staff working in the Catford complex into Laurence House, and the closure of the Town Hall.
9. There are currently 41 Council assets within the community premises portfolio including 23 community centres, 3 sports grounds and 15 buildings housing VCS organisations. In addition there are other properties that are used as community libraries and early years provision, as well as a range of other services commissioned from VCS organisations that are not part of the community premises portfolio but are within the Council's estate.
10. Across these assets occupancy levels vary greatly, though the average of approximately 30% occupancy within the community premises portfolio, shows that there is real potential to manage usage more effectively. Additionally there are currently a wide range of different lease and management agreements for occupants. This situation is potentially inequitable for organisations and makes the management and maintenance of these assets more complicated.

### Rationale for using council assets to support VCS

11. The council recognises that being able to access property at affordable rates is very important to the continued success of VCS organisations. This needs to be balanced with the need to make the best use of the Council's assets, and ensure an open and transparent allocation of limited resources.
12. In considering how best to use council assets to support the voluntary and community sector we have developed the following principles:
  - It is recognised that the demand for subsidised space will always outstrip the available resources it is therefore essential to have a process for allocating support that is open and transparent.

- Lease and hire arrangements should be equitable.
- Council Assets used by VCS organisations need to be fully optimised to ensure the council is achieving best value for it's residents.
- The overall cost to the council of assets used by VCS organisations should be reduced in order to release savings.
- The model for the use of council assets to support VCS organisations in the future should allow some flexibility for changing needs.
- The model should support the councils partnership approach
- Enabling VCS organisations to access council assets is a way of supporting the sector.
- The model should help the sector to help themselves by optimising the use of their resources.

### Part 3 – The Proposed Methodology

13. In considering how to use council assets to support the Voluntary and Community Sector in the future, the council has looked at a number of options:
14. **We could retain the current arrangements** - Continue with the current arrangements and agreements with those organisations that are already hiring or leasing council assets. Seek to encourage increased usage of these assets whilst working around the current arrangements.

**Pros:** Minimal disruption for current occupants.

**Cons:** The ability to address underutilisation would be limited if needing to work around existing agreements. This option would have limited ability to release savings as the number of buildings would remain the same. It does not address the lack of transparency in allocating council asset support or offer any future flexibility.

Given the lack of transparency, difficulty to maximise usage and limited ability to release savings this option has been dismissed.

15. **We could ensure 'Full Cost Recovery' on any assets that were leased/hired** – A number of councils have started to implement a process of full cost recovery on assets. This would move all VCS organisations onto lease and hire agreements paying full market rents and covering the full costs of the asset.

**Pros:** Equitable arrangement with all organisations being treated the same. Would release savings for the council. Would not require the closure of any existing assets.

**Cons:** Would not meet the objective of providing some affordable space for VCS and as a result could increase pressure on the grant aid

budget and/or cause organisations to cease operating. This option does not address the underutilisation of some assets.

Whilst equitable this option would not help support VCS organisations to access affordable space, and could have a negative impact on the sector with organisations folding or struggling to be able to effectively deliver their services. It also may not ensure that all assets are effectively utilised. As such this option has also been dismissed as it doesn't meet our rationale outlined above.

16. **Rationalisation with a transparent allocation system** - With this option we would adopt a set of four categories that would inform the allocation of space within a reduced number of Council assets to VCS organisations.

The four proposed categories are as follows;

- 1) Sole occupancy of a building (not at full market rate) – This would be a building, wholly utilised by one VCS organisation. In order for an organisation to have sole occupancy of a building it would need to demonstrate a need for specialist facilities that could not be provided elsewhere and/or within a shared facility. The organisations would need to demonstrate that they can't afford full market rate. The organisations would also need to be delivering services that meet our priorities.
- 2) Voluntary and Community Sector Hub – This would be a shared building with all inclusive affordable rents. This would be the preferred category for organisations that are providing services that meet our priorities (and cannot demonstrate the need for specialist facilities above). The Hubs will provide office and meeting space. Activity space where appropriate and possible may also be provided, otherwise this would need to be hired elsewhere.
- 3) Community Centre – This would be a neighbourhood based facility with activity space that is predominantly geared towards providing services at a neighbourhood level. Community Centres currently have a range of different terms and conditions, some are on full repairing leases, some directly provided and others managed by Premises Management Organisations (PMOs) but with Repairs & Maintenance provided by the council. Many community centres are currently underutilised and we would be looking to rationalise the number of centres taking into account what other community facilities are available in the area. As the number of centres is reduced we would work to reduce the overall financial burden to the council and put in place equitable arrangements across the portfolio.
- 4) Sole occupancy of a building at full market rate – This would be for larger VCS organisations that can afford to pay full market rates or for those that are not delivering services that meet our priorities. These organisations would still be able to access buildings (where available) on the council's standard terms and conditions.

**Pros:** This approach should ensure optimal usage of facilities, help increase collaborative working between organisations and assist with the Council's wider asset rationalisation programme. It would also provide an open and transparent way of allocating resources and the hubs would be designed to offer flexibility.

**Cons:** There would be disruption for organisations that needed to relocate as a result of moving to the new model. Some underutilised community centres would close.

On balance we believe that this categorised approach is the best way in which we can achieve our rationale in a transparent fashion whilst also helping to play a part in the wider council asset rationalisation programme. As such it is upon this approach that we seek your views.

## Part 4 – Key Dates

### 17. Key dates:

|                 |  |
|-----------------|--|
| 16 January 2015 | consultation opens   |
| 30 March 2015   | consultation closes  |
| April/May 2015  | Mayor and Cabinet approval of proposed Community Asset Support methodology.                          |
| May/June 2015   | Consultation with individual organisations on the impact of the agreed Community Assets Methodology. |

## Part 5 – Consultation Questions

18. We are happy to receive responses to this consultation in any format and we are particularly keen to hear your views on the following:
- The council wishes to retain its commitment to supporting the Voluntary and Community Sector through utilisation of its buildings. Our rationale for this is laid out in paragraphs 11 and 12 above. Do you agree that access to Council buildings for VCS organisations is important? Is there anything missing from the rationale?
  - Within this document you can see that we have discussed and then dismissed two approaches (paragraphs 14 and 15 above), do you agree with our reasoning? Are there any other options that we should have considered?
  - Our categorised approach (paragraph 16) is our proposed way forwards. Do you feel the suggested categories are the right ones, will they work for the VCS? Do you have any suggestions about how this might be done differently?

- d. Do you think that the proposed methodology of reducing the number of buildings, and bringing organisations together to share space/buildings where possible is appropriate and fair? If not, why not? How else could this be done?
- e. Regarding Community Centres, how should the council look to operate these? Should they be Council run? Should they be operated by a VCS organisation on a lease? Somewhere in between?
- f. We are undertaking an equalities assessment of the proposed methodology. Do you feel that the proposed changes would have a negative or positive impact on Lewisham residents on the basis of their race, gender, faith/religious belief, disability, age, sexual orientation, gender assignment or marital status? Please provide comments on the impact you feel the proposed methodology could have, which groups you feel may be affected and any action you feel we could take to mitigate any potentially negative impact.
- g. Do you have any other views on the content of this consultation paper, not covered by the above?