

# Policy for council community properties, rent subsidy and rate relief

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Cabinet Member for Safer Croydon & Communities

17 December 2019

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# Introducing a fair, open and transparent policy

1. *Context, objectives and drivers*
2. Summary of policy proposals
3. Timetable and next steps
4. Discussion points

## Current context

- Premises are critical for VCS, but expensive
- Suitable, affordable premises in short supply
- Council provides more than £0.5m a year in premises support
- Council committed to maintain support for VCS
- New VCS Strategy adopted in March 2019

# Why change?

- No formal policy or procedure in place
- Funding awarded based on historical decisions
- No opportunity for new organisations to apply
- VCS organisations want transparency, guidelines, criteria



# Objectives

- Focus funding on VCS organisations with
  - most community impact; and
  - greatest need
- Provide transparency
- Spread funding as widely as possible
- Rent subsidy, at least until 2024, available to organisations in council owned properties

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## Rent subsidy: £276k pa

- Introduces open, transparent process, clear criteria
- Gives financial sustainability – 3 year funding
- Open to organisations in council owned properties
  - Option to widen to any property in 2024 (review)
- Exclusions include profit making organisations, faith groups (where mainly used for religious purposes), restrictive memberships



## **Rent subsidy: priority criteria**

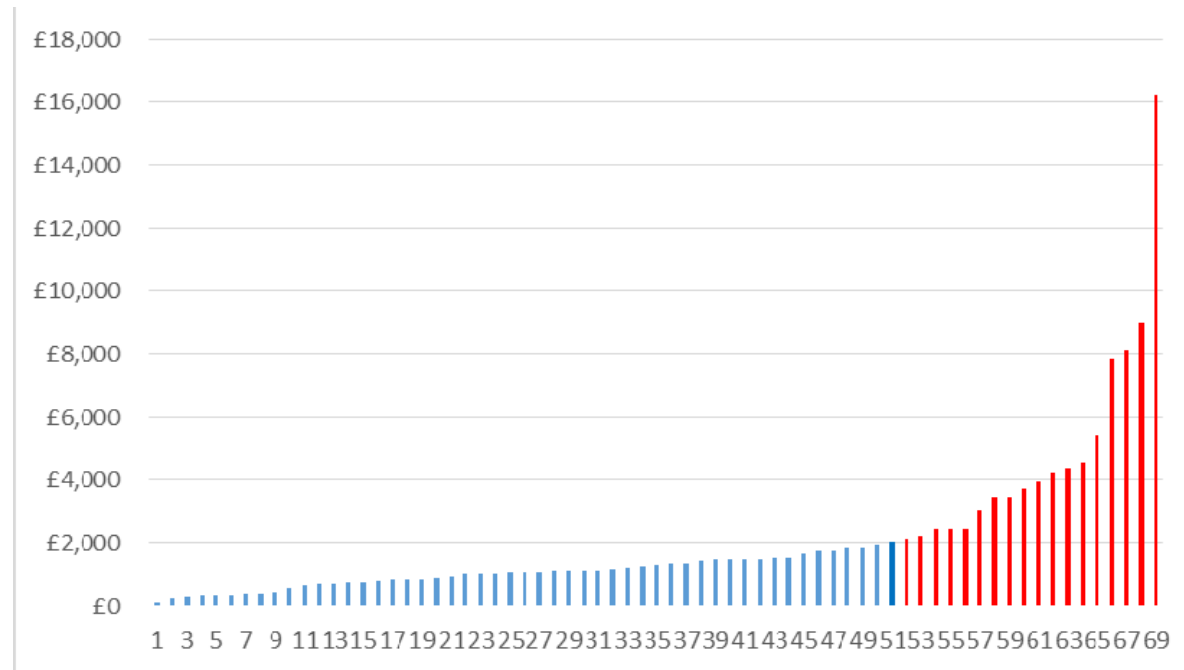
- Targeting funding for buildings / organisations that:
  - Frequently used / shared
  - Delivering against priority outcomes in VCS strategy
  - Delivering in areas of need
  - Delivering critical services
  - Lower levels of funding / reserves

## **Discretionary business rate relief: £157k pa**

- Introducing open, transparent process, clear criteria
- Annual application
- Only those eligible for mandatory (80%) relief
- Croydon based and services benefit of Croydon residents
  
- Same exclusions as rent subsidy, plus charity trading arms, housing associations, empty properties

# Discretionary rate relief: allocation

- Targeting funding for buildings with lower rateable values (favours smaller organisations)
- Allocate to organisations until budget fully allocated

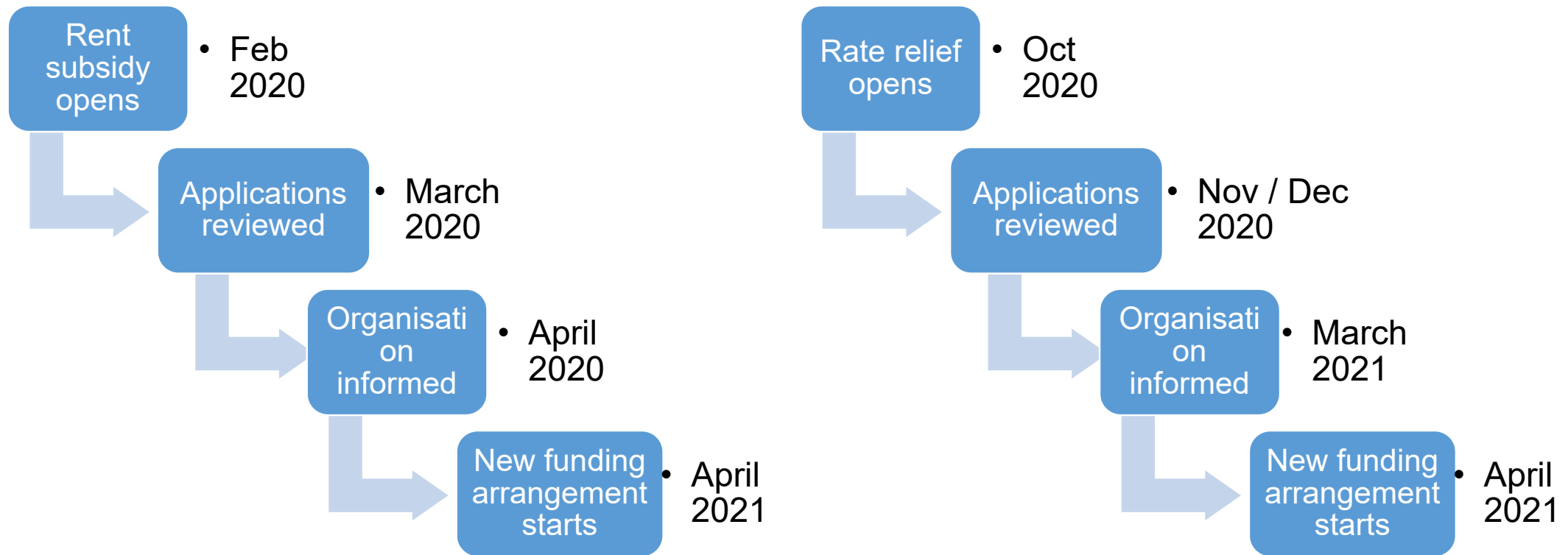


# Property allocation and rent

- Clarity on priorities for our building allocations
- Publicise availability
- Invite business cases
- New rent setting framework – fair and consistent
- Income from additional rent will fund VCS rent subsidy – open and transparent
- Criteria for reviewing occupancy at end of lease

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# Proposed timetable



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Welcome comments, questions on  
policy, eligibility and criteria

Two areas where feedback is  
particularly sought.....



# Discretionary business rate relief

- Difficult to give early decision
  - Rates 'multiplier' not set until February
  - Rates subject to revaluation (e.g. in 2021)
- Therefore intend to inform organisations in March
  - Provides definitive decision – but late
- Could take decision based on previous rates bill
  - Earlier decision – but organisation will have to top up

# Eligibility

- **Rent subsidy:** Proposal to exclude profit making organisations
  - This will exclude social enterprises and (profit making) cooperatives
- If allow social enterprise / cooperatives, should there be any exclusions?
- **Rate relief:** only eligible to organisations receiving 80% relief, so social enterprises would be excluded

# Thank you

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