

DRAFT POLICY FOR ALLOCATING AND SETTING RENTS IN COUNCIL COMMUNITY PROPERTIES AND PROVIDING RENT SUBSIDY AND DISCRETIONARY RATE RELIEF

Adopted on DD.MM.YYYY. Review by DD.MM.YYYY

1. Premises and associated subsidies for the VCS in Croydon

- 1.1 Premises are a critical area of support for voluntary and community sector (VCS) organisations. They are also, however, an expensive resource that is often in short supply. Through the policies set out in this document, the council is determined to offer organisations equality of opportunity to access premises and subsidies and to spread the benefit as widely as possible across the VCS.

2. VCS STRATEGY 2019-2023

- 2.1 In March 2019 the Council adopted a [VCS Strategy](#) to provide an open and honest framework for prioritising the Council's support and resources for the VCS while working in partnership with it to deliver for Croydon.
- 2.2 This policy gives effect to the pledges in the VCS strategy for making best use of the Council's community properties:
- Develop clear criteria for allocating properties and rent subsidy, requiring organisations to support our priorities and making the sharing of premises a desirable requirement.
 - Allocate properties for a limited term; performance and the level of use of the premises will be monitored regularly.
 - Improve transparency by transitioning from peppercorn rents for community properties to market rents, with rent subsidy provided where appropriate.
 - Encourage organisations to share available space: we will amend our leases to allow occupiers to sublet to approved organisations and develop proposals in 2019/20 to facilitate the exchange of information on spaces offered and spaces sought by VCS organisations.

3. Overall objective of proposed policies

- 3.1 The objective of the financial assistance the Council gives to VCS organisations through the level of rent charged and the payment of Rent Subsidy and Discretionary Rate Relief (DRR) is to:
- a) Focus funding on VCS organisations with the greatest community impact and need:
- organisations that support VCS Strategy priority outcomes,
 - organisations operating in areas of the greatest deprivation,
 - organisations that use their properties as intensively as is practicable, including sharing with other VCS organisations, and

- organisations with the greatest financial need
- b) Provide transparency on how rents are charged, subsidies are offered and council community properties are allocated.
 - c) Spread the benefit of the funding as widely as possible, offering opportunity to organisations that have not received funding to date, while operating within the Council's budgetary constraints.
 - d) Focus rent subsidy on organisations occupying council community properties and properties leased by the Council and sublet to VCS organisations during phase 1 (2021-2024). This transitional phase will subject existing recipients of rent subsidy to the new policy's criteria; allow VCS organisations currently paying peppercorn rents to adjust to new market rents and apply for subsidy under the new rent subsidy policy if they are eligible; and enable other organisations currently paying unsubsidised rent for council properties to apply for assistance for the first time, without opening up the rent subsidy budget to wider demand. Subject to a review of the operation of this policy, VCS organisations renting premises from private landlords will be able to apply for rent subsidy from 2024/25 (Phase 2).

4. Rent charging framework for council community properties

4.1 A rent charging framework will be used to set market rents for council community properties, rather than peppercorn rents, with VCS tenants applying for relief through Rent Subsidy where they qualify for such relief.

4.2 The market rent will reflect the geographical location, the use, the physical condition and the repair liability applicable to the property. It should be noted that a market rent for a D1 (community use) property may be significantly lower than the market rent for other properties classified for alternative commercial use.

4.3 Rents will be individually assessed, given the nature of Croydon's community buildings and their current occupation, using the following approach:

- Basic properties offering community activities that actively support the Council's key policies will give rise to a rental value in the region of £4 per square foot per annum (it is assumed most will fall within this category)
- Buildings that offer more potential for third party/commercial letting will be valued at £8 per square foot per annum or higher where the property is predominantly used as office space, is in a specific geographical location commanding higher rental values (such as a town centre), or involves a use that generates a significant income

- Exceptions include scout sites, where, due to the restrictive nature of the use, a standard rent of £500 per annum will be applied
- There will also be some instances where a volunteer group with no income is undertaking a service on behalf of the Council (for example, Friends of Shirley Windmill who run a visitors centre) where it is appropriate to charge a peppercorn.
- Where a VCS organisation is investing capital to fit out premises, the Council may agree a rent-free period in recognition of this investment.

4.4 There will be no change to the current rent charged where:

- An unexpired lease sets the rent level or peppercorn rent
- An agreement reached following negotiations between the Council and a VCS organisation includes the term that no rent will be charged (e.g. where an organisation is obliged by the Council to move to alternative premises).
- Properties are subject to a Community Asset Transfer.

4.5 The income raised by moving from peppercorn rents to market rents or other rent levels proposed will be utilised for the continued funding of the VCS sector, such as through rent subsidy, and the provision of council services.

5. Rent subsidy

5.1 Eligibility Criteria for rent subsidy

5.1.1 To be eligible, organisations should satisfy the following criteria:

a. Eligible organisations should be:

- Community-led, a co-operative or a [social enterprise](#)
- Properly constituted, with good governance
- Capable of sustainably, legally and safely managing an asset and delivering services
- Compliant with the Equality Act 2010
- Willing to offer space (if available) and support to smaller groups.

b. Services must be delivered primarily for the benefit of Croydon residents (more than 75% of beneficiaries must be Croydon residents)

c. Services must support priority outcomes of the Council's VCS Strategy:

- People live long, healthy, happy and independent lives. We want people to be able to stay well and to manage well. Should they need support or services they will be closer to home.
- Our young people thrive and reach their full potential
- Access to homes and prevention of homelessness: all have the opportunity to access a suitable home and avoid homelessness, with no one forced to sleep on the streets

- Everyone feels safer in their street, neighbourhood, home. We pledge to treat serious youth violence including knife crime as a public health issue
- Everybody has the opportunity to work and build their career
- We value arts, culture, sports

See Appendix 1 for full details.

- d. **Rent must be payable for properties owned or leased by the Council.**
- e. **Where an organisation wholly or mainly sublets the premises to other organisations, the property may be eligible for rent subsidy** on condition that the subtenants are VCS organisations approved by the Council and the amount paid by the subtenant is no more than a reasonable charge to cover the tenant's costs of managing and running the building.
- f. **The following organisations will be excluded from receiving Rent Subsidy:**
 - Profit-making organisations (other than co-operatives and social enterprises) including commercially run Day Care and Playgroups, as rent reduction would mask the true cost of providing care; private sector or larger organisations using the property for economic benefit (notwithstanding its D1 use class), including pre-schools and play groups (as opposed to volunteer-run mother and toddler groups), will be charged the full open market rental for the property.
 - Faith groups using buildings mainly for religious services or to promote religious belief (however, faith groups providing eligible services to the wider community will not be excluded).
 - Organisations providing services to a restrictive membership group (such as a social club) therefore providing no wider community benefit, unless they are fulfilling a special need within the community that the Council accepts is essential.
 - Organisations whose rent is met through other council funding programmes or as part of a commissioning agreement.

5.2 Assessment criteria for Rent Subsidy

- 5.2.1 As the budget for Rent Subsidy will be insufficient to fund all eligible organisations, a points system will be applied to prioritise eligible applications. Additional priority will be given to eligible VCS organisations that make the most intensive use of and share their premises, to critical services, and to smaller organisations, as measured by their annual gross income (see Appendix 2 for details of points to be awarded under each of the following categories):

Use of the property

- a. **Amount of time the building is used:** a point awarded for every morning, afternoon and evening that the premises are used for community benefit from Monday to Sunday.
- b. **Extent to which premises are shared:** Organisations that share premises with at least one other VCS organisation will be given additional priority.
 - i. Applicants will be asked to provide a list of organisations sharing the premises and evidence of the times that they use the premises.
 - ii. If it is agreed that an organisation cannot share its premises (e.g. because it supports vulnerable people with sensitive or difficult issues where privacy and anonymity are essential) with another organisation, the extra points for sharing will be awarded where appropriate so the application is not disadvantaged.

Area of need

- c. **Deprivation and social isolation:** Organisations that deliver a service primarily in an area that ranks in the top five Lower Super Output Areas (LSOAs) in the borough for multiple deprivation will receive an additional 5 points. The rating will be taken from the [Index of Multiple Deprivation](#), the official measure of relative deprivation in England. (See Appendix 3 for a map of top 5 LSOAs)

Critical services

- d. **Extent to which an organisation is critical for achieving priority outcomes:** VCS organisations considered by the Council to provide critical services will receive additional priority if it assesses that, should the organisation cease to provide a service, a council priority outcome would not be achieved, for example:
 - if the organisation was the only one delivering a service to support a given priority outcome, or
 - if the impact of an organisation ceasing to operate would have an unacceptably significant knock-on effect on the achievement of a given priority outcome.

Financial assessment and ability to pay

- e. **Income:** Organisations with a lower gross annual income (up to £5,000 and between £5,000 and £50,000) will be given additional priority.
- f. **Reserves:** organisations with reserves equivalent to more than two years' operating costs will not receive funding
- g. **Other sources of income:** Organisations with a gross annual income of more than £10,000 will be asked what steps they have taken to obtain more funding from non-council sources and be offered support to do so, if required.

- 5.2.2 VCS organisations will be asked to provide their most recent accounts, a business plan or budget (the level of detail to be proportionate to the size of the organisation), and the amount and purpose of funding currently received from the Council and other sources, to allow an assessment of the financial management and viability of the organisation and the potential impact of state aid rules (see section 8).
- 5.2.3 We want to encourage and enable VCS organisations to become less reliant on council funding. The Council's Communities Team can advise groups on obtaining funding from other sources and increasing their income, for example through crowdfunding and bid writing. In addition, the Council has commissioned VCS infrastructure organisations to provide advice and support on bid writing and fundraising.
- 5.3 [Rent Subsidy payable](#)
- 5.3.1 **Rent Subsidy will be awarded to successful applicants for a period of three years.** This offers VCS organisations financial stability.
- 5.3.2 **Rent Subsidy will be paid at a rate equivalent to up to 100% of the contractual rent, unless the subsidy is reduced because of a failure to share or sublet premises when required (see 5.3.4 and 5.3.5 below), to support council priority outcomes, or to perform effectively**
- 5.3.3 **The amount of Rent Subsidy paid will be reduced if the contractual rent is reduced.** However, due to budgetary constraints, there is no guarantee that an increase in rent during the three year period would be covered by the subsidy scheme.
- 5.3.4 Standard clauses will be inserted into leases which will include the requirement for annual monitoring of the tenant's activities and the ability to amend the Rent Subsidy should the VCS organisation not fulfil the scheme criteria. Subject to the written approval of the Council, organisations will be allowed to hire or sublet under-used parts of their premises to a VCS organisation that provides a community benefit to Croydon. This is in addition to standard clauses (already inserted in new leases since 2016) requiring tenants to make premises available free of charge for a number of hours per year to certain qualifying groups nominated by the Council or ward councillors. Refusal could reduce the level of Rent Subsidy.
- 5.3.5 Rent subsidy to organisations subletting to VCS organisations approved by the Council will not be reduced as long as they keep their charges at a level that enables them to recover no more than their reasonable costs of running and managing the building. Rent subsidy will be reduced if organisations are assessed to be making a profit from the arrangement.
- 5.3.6 In the event of the Council deciding to reduce rent subsidy within the three year funding period, the Council will give 6 months' notice of its decision, and give reasons for its decision.

5.3.6 VCS organisations considered to be under-utilising premises will be given 9 months to find other appropriate VCS organisation(s) to sublet the vacant or under-used part of premises to or to share the premises with, otherwise the level of rent subsidy may be reduced. The Communities Team can provide assistance in finding a suitable organisation to share with. The Council will seek to develop a web-based system to put VCS organisations and groups that have available space(s) within their premises in touch with other VCS organisations and groups that are looking for premises or space. Authorisation must be obtained from the Estates Team for subletting part of the premises, as the lease may need to be amended.

6. Allocation of council community properties

6.1 Identification of properties to be allocated

6.1.1 The Council's Estates Team will work closely with the VCS to identify suitable future uses for vacant space within its community properties portfolio, the appropriate route for its allocation and the terms of any lease agreement. This may be through Community Asset Transfer (CAT), competitive tender, or through discussion with specific groups identified as suitable occupiers for the space concerned. The Council will publish a list of council community premises and their lessees.

6.1.2 The Council will continue to consider CATs on a case by case basis for its properties. CATs transfer the council asset to the occupying VCS organisation on a long lease at a peppercorn rent. The organisation takes on full responsibility for the cost of running the building (subject to any transitional relief arrangements). A CAT may be appropriate in specific circumstances where a council property asset is surplus to requirements, the Council considers that the VCS organisation is better placed than itself to deliver the service in question (for example, a community hall), and the transfer would enable them to benefit from grant funding available to organisations with longer leases.

6.2 Eligibility Criteria for the allocation of a property

6.2.1 To be eligible, organisations should satisfy the following criteria:

a. **Eligible organisations should be:**

- Properly constituted, with good governance
- Capable of sustainably, legally and safely managing an asset and delivering services
- Compliant with the Equality Act 2010
- Willing to offer space (if available) and support to smaller groups.

b. **Services must be delivered primarily for the benefit of Croydon residents**
(more than 75% of beneficiaries must be Croydon residents)

c. **Services must support priority outcomes of the Council's VCS Strategy:**

- People live long, healthy, happy and independent lives. We want people to be able to stay well and to manage well. Should they need support or services they will be closer to home.
- Our young people thrive and reach their full potential
- Access to homes and prevention of homelessness: all have the opportunity to access a suitable home and avoid homelessness, with no one forced to sleep on the streets
- Everyone feels safer in their street, neighbourhood, home. We pledge to treat serious youth violence including knife crime as a public health issue
- Everybody has the opportunity to work and build their career
- We value arts, culture, sports

See Appendix 1 for full details.

6.3 Assessment criteria of priority for a property

6.3.1 As the supply of properties is insufficient for all potentially eligible VCS organisations that may need premises, the Council will consider applications according to a number of criteria including:

- The soundness of the business case for why the building or land is needed
- The community benefit offered by the organisation
- Local need for the service
- Financial management and viability: VCS organisations will be asked to provide their most recent audited/checked accounts, a business plan or budget, and sources of funding.
- Ability for the organisation to manage an asset and comply with the lease obligations.

6.3.2 Leases are excluded from the security of tenure provisions of the Landlord and Tenant Act 1954. This means that tenants do not have an automatic right to renew the lease when it expires. The length of the lease granted by the Council depends on a number of factors including: the length of a commission agreement provided; the financial viability of the organisation; its ability to manage a property and comply with the terms of the lease; the initial investment required by the organisation to refurbish the property; and the Council's medium or long term plans for the property.

6.3.4 When the lease expires, organisations should not assume that the lease will be renewed automatically. The Council will assess whether the tenant organisation continues to meet the eligibility criteria (set out at 6.2.1) and whether it is appropriate for them to remain in occupation under a renewed lease or for the property to be offered to an alternative organisation. In considering whether to renew the lease, the Council will take into account the means by which the lease was originally acquired, for example whether it was subject to a competitive tender,

whether the priorities against which eligibility was assessed at the time the property was allocated are still relevant, and the organisation's satisfactory performance, compliance with the lease and regular use of the property for purposes agreed with the Council. The Council will also consider its needs and community needs at the time the decision is made.

- 6.3.5 If the Council decides to not to renew the lease, it should give the lessee six months' notice.

7. Discretionary Rate Relief (DRR) for VCS Organisations

7.1 Business rates relief

- 7.1.1 There are a [number of schemes](#) under which organisations may receive relief from national non-domestic rates (NNDR), commonly known as 'business rates'. This policy is for VCS organisations; it does not deal with other types of mandatory or discretionary rate relief, such as [small business rate reduction](#) and DRR for businesses.

7.2 Eligibility criteria for discretionary rate relief for VCS organisations

- 7.2.1 DRR can be a lifeline for small VCS organisations. This policy is designed to ensure that relief is targeted at organisations that need it most, irrespective of whether they occupy a council-owned property.
- 7.2.2 DRR will be awarded to eligible community-led organisations, cooperatives and social enterprises. Some of these organisations may be eligible for mandatory rate relief which is paid at 80% of the national non-domestic rates (NNDR) charge: registered charities, community amateur sports clubs (CASCs) and Charitable Community Benefit Societies. Successful applicants for DRR will be awarded 20% of the national non-domestic rates (NNDR) charge. In the case of community organisations eligible for mandatory rate relief, this will be top-up DRR to provide 100% relief. The property must be wholly or mainly used for activities that meet the criteria set out under 7.2.3 below.
- 7.2.3 As with other financial support for the VCS including the Community Fund and Rent Subsidy, organisations applying for DRR must satisfy all of the following eligibility criteria:
- a. **The organisation must be community-led, a co-operative or social enterprise**
 - b. **Services must be delivered for the benefit of Croydon residents (more than 75% of beneficiaries must be Croydon residents)**
 - c. **Services must support priority outcomes of the Council's VCS Strategy (see Appendix 1)**
 - d. **The organisation must meet requirements on governance, management and financial competence (see 9.1)**

e. The organisation must comply with the Equality Act 2010.

7.2.4 The following organisations are ineligible for DRR:

- charity shops and cafés operated by trading arms of charities
- housing associations
- buildings used mainly for worship or to promote religious belief
- bodies operating a restrictive membership policy, unless they are fulfilling a special need within the community
- profit making organisations (other than co-operatives and social enterprises)
- empty properties
- social clubs.

7.2.5 It should be noted that buildings registered for public religious worship or church halls are exempt from business rates altogether. Where possible, organisations that are not charities will be referred to the [Small Business Discretionary Rates Reduction Scheme](#) managed by the Council's Business Rates Team. This council-run, government funded, scheme provides relief to organisations who demonstrate specific employment and economic benefits for Croydon residents. The scheme will bring in central government funding and free up the Council's DRR budget to support other organisations.

7.2.5 The Council encourages eligible organisations to apply for mandatory 80% Business Rates Charity Relief. To qualify, an organisation:

1. The ratepayer must be:

- Registered with the Charity Commission; or
- An organisation that is [specifically exempt](#) from registration with the charity commission; or
- A sports club that is registered with The Community Amateur Sports Club scheme (CASC); or
- An academy school

2. The property must be wholly or mainly used for the charitable purposes of that organisation

7.2.6 Guidance on applying for mandatory rate relief for property wholly or mainly used for charitable purposes is available [here](#). To obtain the application form click on <https://www.croydon.gov.uk/business/businessrates/reductions/relief> and scroll to the bottom of the screen for the DOWNLOAD section.

7.3 [Award limit for discretionary rate relief](#)

7.3.1 As the budget for DRR is limited, it is anticipated that the total relief sought by eligible organisations will exceed the budget available. Priority will be given to

applications for DRR from organisations occupying properties with lower rateable values.

- 7.3.2 Applications from eligible organisations will be ranked according to the rateable value of the property, from lowest to highest. DRR will be allocated for properties (starting with the lowest proposed award of DRR on the list) until the budget for that year is used up.

7.4 Application and decision process

- 7.4.1 Applications for DRR will be invited annually in October. Relief will be awarded for one year. Organisations must reapply in October each year for DRR for the following financial year. Retrospective applications for rate relief, e.g. to clear rate arrears, will not be admitted.
- 7.4.2 VCS organisations will be asked to submit an application form, their most recent audited/checked accounts, the amount and purpose of funding currently received from the Council and other sources and a business plan or budget to allow an assessment of their financial management and viability.
- 7.4.3 The maximum amount of DRR paid for a property will vary each year, as it will be dependent on the number of applications received. A decision letter will be sent to the organisation by March. The DRR will be credited to its rate account in April. There will be no appeal and no further applications will be considered until the following October.
- 7.4.4 **Awards in valuation years:** every three years the government's Valuation Office Agency will calculate the rateable value of each property. The next valuation year is 2021. As some rate bills can vary considerably as a result, the Council will calculate the DRR to be awarded only once the new rateable value is known and the government has notified the Council of the multiplier to be used to calculate the business rate charge. A decision letter will be sent to the organisation in March.
- 7.4.5 **Awards in non-valuation years:** in order to give organisations a decision as early as possible, subject to administrative arrangements, the Council will calculate the DRR amount on the basis of the old year's business rate charge and issue a decision in January. It is likely that the new business rate charge will be subject to an increase for inflation (applied through the multiplier set by central government). The VCS organisation would therefore have to pay the difference between the DRR awarded (20% of the old year's business rate charge) and the new rate charge and will receive a bill asking for the difference in April.
- 7.4.6 There is no way of anticipating which organisations will apply or what their rateable value will be, but under this policy eligible organisations with smaller rateable values will be more likely to receive relief than those with relatively higher values.

- 7.4.7 The allocation system prioritises smaller qualifying organisations, although there is no guarantee that an organisation will get relief two years in a row, even if its circumstances have not changed.

8 State Aid

- 8.1 Any award of rent subsidy or discretionary rate relief, or use of a council community property for free or at less than market price (such as a peppercorn rent) or rent rebates may count as state aid and if so must therefore comply with rules on state aid. The Council must therefore consider whether state aid rules apply which will include considering whether services provided or goods traded by a VCS organisation applying for assistance under these policies have the potential to be traded across EU member states.
- 8.2 There are also exemptions which may be applicable. In order to allow officers to consider if State Aid or any of the exemptions apply, the application forms for rent subsidy, discretionary rate relief and council community properties will require organisations to confirm all funding received over a three year period.

9. Performance monitoring and other conditions

- 9.1 Applicants for rent subsidy, DRR or council community properties are expected to meet requirements on governance (including constitution, terms of reference or other governing document, details of the board/committee, and decision-making processes), management (including policies concerning health and safety, safeguarding, and equal opportunities, public liability insurance and monitoring arrangements) and financial competence (including latest accounts, decision-making processes and monitoring). However, the evidence required will depend on the scheme concerned, following the principle of proportionality. The requirements will be set out in the respective application forms for rent subsidy, DRR or council community properties.
- 9.2 Continued occupancy of the property and payment of Rent Subsidy and DRR will depend on the ongoing performance of the organisation against the VCS strategy priority outcomes and the level of use of the premises. The organisation must also comply with the terms of the subsidy or relief, remain solvent and not subject to a winding up order. Rent subsidy or discretionary rate relief may be recovered if it is misused or in the event of fraudulent activity. Similarly, usage of a council community property and compliance with the terms of the lease will be monitored; the lease may be terminated in the event of a breach of the terms. Compliance with these conditions will be monitored regularly. The Council will align monitoring arrangements for rent subsidy and discretionary rate relief and where possible with grant performance monitoring.
- 9.3 The Council is committed to reducing fraud in all its forms. An organisation which tries to fraudulently apply for a council community property, rent subsidy or discretionary rate relief by falsely declaring their circumstances, or providing a false statement or evidence in support of their application, may have committed an

offence. Where we suspect that such a fraud may have occurred, the matter will be investigated in line with the Council's Anti-Fraud Strategy. This may lead to criminal proceedings being instigated.

- 9.4 The organisation should obtain user feedback on a regular basis to monitor service provision. Evidence of this will form part of the annual reviewing process and failure to satisfy this may lead to the subsidy being withdrawn.
- 9.5 Voluntary and community organisations in receipt of a Rent Subsidy or DRR will agree a statement with the Council that summarises the use of the premises and the activities linked to the subsidy and how they benefit the service provided to the residents.
- 9.6 The organisation must acknowledge the Council's assistance in literature and publicity about the work of the organisation, should a subsidy or DRR be granted.

10. Implementation

10.1 Notice of changes:

- 10.1.1 All recipients of Rent Subsidy and of DRR in 2017/18 and 2018/19 have received either emails or letters to alert them to the review of both schemes and warn that the new schemes when implemented will be competitive with no guarantee of funding.
- 10.1.2 VCS organisations are advised to plan for the reduction or end of any rent subsidy they receive and to treat rent payable as a core cost when applying for any funding.

10.2 Implementation arrangements:

- 10.2.1 Allocations of council community properties be made under the new policy from 1 April 2020, commencing with a review of leases that have expired and are holding over.
- 10.2.2 The new policies for Rent Subsidy and DRR will be implemented from 1 April 2021.
- 10.2.3 The transition from peppercorn rents to market rents will be implemented over time from 1 April 2021 as leases expire and are renegotiated. When break clauses allow it, leases will be brought to an end in order to renegotiate the terms. Where leases have expired and are being held over, a market rent will be charged from 1 April 2021.

10.2.4 The new Rent Subsidy scheme will be limited for three years to VCS organisations renting properties owned or leased by the Council. This will provide scope for supporting VCS organisations moving from peppercorn rents to market rents and those already paying rent in council properties who have not yet had the opportunity to apply for rent subsidy, as well as those already receiving rent subsidy. The operation of the scheme will be reviewed early in 2022/23. Subject to the outcome of the review, a decision will be taken on whether to open the scheme to organisations renting in the private sector from 2023/4.

10.3 Implementation timetable

- VCS organisations had the opportunity to comment on these proposals for 6 weeks from 9 October to 19 November 2019. Consultation responses were considered and the proposals amended accordingly.
- It is proposed to take this to Cabinet for consideration on 20 January 2020.
- If approved on 20 January 2020, the new Rent Subsidy scheme would open on 10 February 2020 for applications for rent subsidy for the three year period (April 2021 to March 2024). Applications would close on 13 March 2020, giving organisations 5 weeks to apply. VCS organisations would be notified of decisions on rent subsidy for 2021/24 in April 2020.
- Council community properties would be allocated under the new policy from 1 April 2020, starting with a review of expired leases that are holding over.
- Applications under the new scheme for DRR for the financial year 2021/22 would be invited in October 2020. Decisions would be announced in March 2021.
- Rent Subsidy would be payable under the new policy from 1 April 2021, giving organisations a full 11 months to prepare for any changes to their funding.
- The transition from peppercorn rents to market rents would be implemented from 1 April 2021: immediately for expired leases, and in other cases, as leases expire or break clauses allow.
- During 2020/21 Rent Subsidy and DRR will be payable under current arrangements.

Appendix 1: VCS Strategy Priorities

- 1. People live long, healthy, happy and independent lives. We want people to be able to stay well and to manage well. Should they need support or services they will be closer to home.**
 - a. Visible, cohesive and resilient communities
 - b. Croydon becomes a more equal place
 - c. Healthy, happy and independent lives: are lived by as many as possible for as long as possible
 - d. Access to effective health services and care services when needed

- 2. Our young people thrive and reach their full potential**
 - a. Children and young people in Croydon and their families are safe, healthy and happy; young people aspire to be the best they can be.
 - b. Every child and young person can access high-quality education and youth facilities
 - c. Getting more young people involved in taking part in local democracy and in tackling the issues that matter most to them

- 3. Access to homes and prevention of homelessness: all have the opportunity to access a suitable home and avoid homelessness, with no one forced to sleep on the streets**

- 4. Everyone feels safer in their street, neighbourhood, home. We pledge to treat serious youth violence including knife crime as a public health issue**
 - a. Working in partnership to reduce crime; including serious youth violence, domestic abuse and sexual violence, and hate crime
 - b. Anti-social behaviour and environmental crime are reduced throughout the borough, through work with partners and local community involvement

- 5. Everybody has the opportunity to work and build their career**
 - a. More residents can develop their skills through apprenticeships, academic and technical courses and access employment opportunities

- 6. We value arts, culture, sports**
 - a. Croydon's cultural offer enhances our town and creates places where people want to live, work and visit
 - b. Good, affordable and accessible sports and leisure facilities enable people to be as active and healthy as they want to be
 - c. Our parks and open spaces are safe, pleasant, thriving places where everyone can exercise and have fun

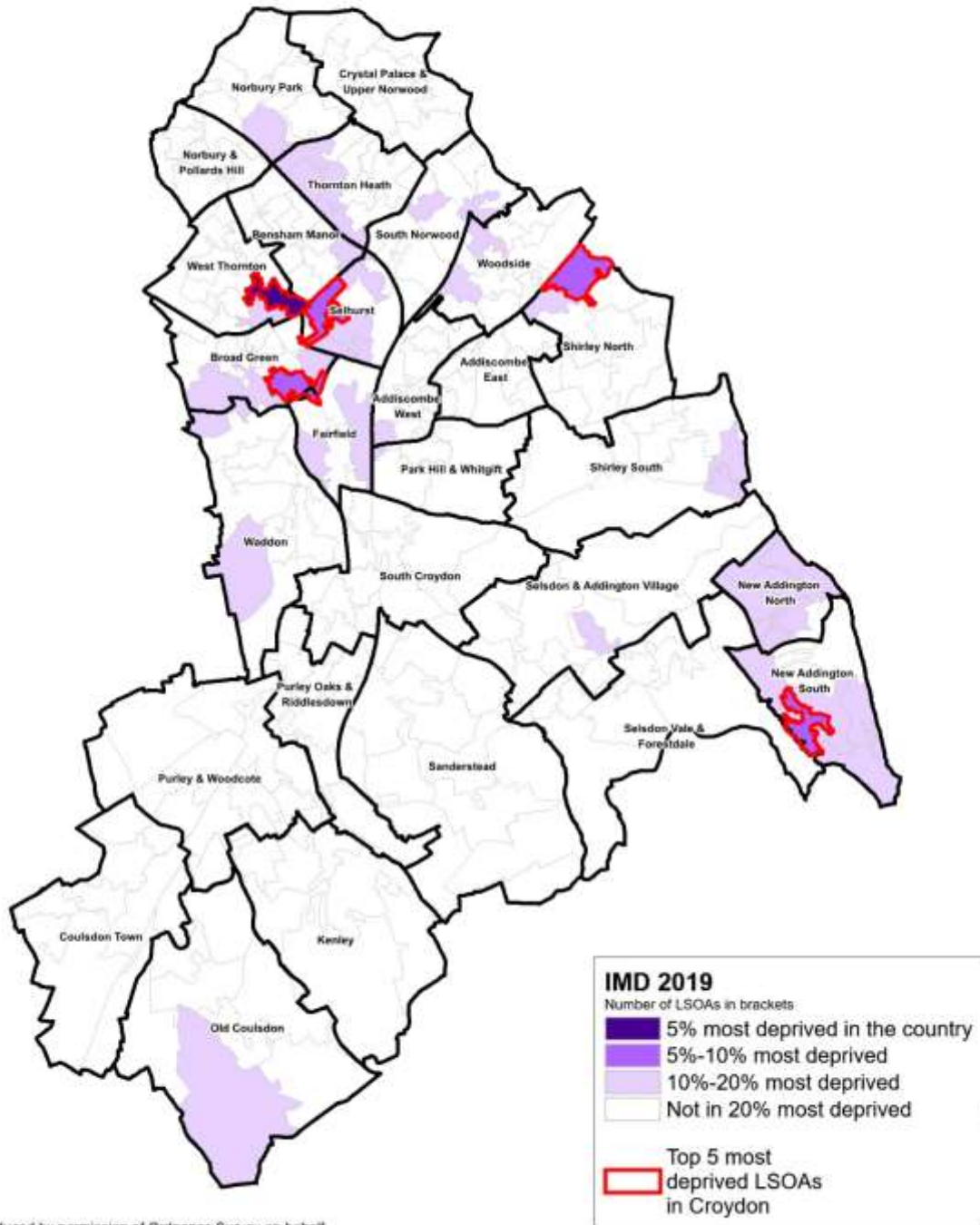
Appendix 2 Assessment and scoring scheme for Rent Subsidy Assessment (an application form will be developed)

Preliminary Questions			
1	Has the organisation provided all the evidence requested in the application form? Does evidence provided demonstrate that the organisation meets the Council's eligibility criteria? a. Is it community led? b. Is it properly constituted, with good governance? (10.1) c. Is it capable of sustainably, legally and safely managing an asset and delivering services? d. Does it comply with the provisions of the Equality Act 2010? e. Is it willing to offer space (if available) and support to other groups?	Yes to all questions (carry on to question 2)	No (organisation is not eligible for this support)
2	What proportion of the people benefitting from the organisation's services live in the London Borough of Croydon?	75% or more (carry on to question 3)	0-84% (organisation is not eligible for this support)
3	Do the organisation's services support priority outcomes of the VCS Strategy?	Yes X (carry on to question 4)	No (organisation is not eligible for this support)
4	Does the organisation occupy a council-owned building or a building leased by the Council?	Yes X (carry on to question 5)	No (organisation is not eligible for this support in 2021/24)
5	Has the organisation provided its most recent accounts?	Yes X (carry on to question 6)	No (organisation is not eligible for this support)
6	Has the organisation provided a budget or business plan?	Yes X (carry on to question 7)	No (organisation is not eligible for this support)
7	Is the amount of reserves equal to or greater than two years of the organisation's operating costs? a. Amount of operating costs b. Gross annual income	No (carry on to question 8 a. Amount b. Amount)	Yes (organisation is not eligible for this support)
8	Organisation should list sources of funding to be received over the three years (2021/24) from Croydon Council, stating the amount, funding programme and purpose ; and any contracts with the Council, what the contract is for, the term and the value	Amount	Funding programme Purpose
9	Organisation should list the sources of funding to be received over the three years (2021/24) from other sources stating the amount, organisation/ funding programme and purpose .	Amount	Funding programme Purpose
10	If the organisation's gross annual income is £10,000 or more, what steps has the organisation taken to obtain more funding from non-council sources?	Fund raising measures attempted	
11	What is the annual rent?	Amount	
12	How much is the organisation seeking from Rent Subsidy each year?	Amount	

Scored Questions		Score
13	On average, how many mornings a week is the building in use?	(0 – 7)
14	On average, how many afternoons a week is the building in use?	(0 – 7)
15	On average, how many evenings a week is the building in use?	(0 – 7)
16	Does the organisation share any space with other users? (if yes, details are required) (If sharing is not possible, give reasons)	(No = 0, Yes = 5)
17	Is the organisation delivering a service primarily in an area that ranks in the top five Lower Super Output Areas (LSOAs) in the borough for multiple deprivation (according to the Index of Multiple Deprivation)?	Yes – 5 No - 0
18	Is the Council satisfied the organisation critical for achieving a council priority outcome? a. Is the organisation the only one delivering a service to support a priority outcome? b. Would the organisation ceasing to operate have an unacceptably significant impact on the achievement of a priority outcome?	Yes – 40 No - 0
19	Organisation's gross annual income: £ Is the gross income low (up to £5k), medium (up to £50k) or high (over £50k)?	Amount (low = 10, med = 5, high = 0)
Maximum total points awarded		81

Appendix 3

**Indices of Deprivation 2019
Croydon Lower Super Output Areas (LSOAs)**



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