

Westminster City Council

POLICY FOR OCCUPATION OF COUNCIL REAL ESTATE BY VOLUNTARY AND COMMUNITY SECTOR TENANTS

Financial Contribution to VCS Scheme

PURPOSE OF THIS POLICY

This policy outlines how organisations from Westminster's Voluntary and Community Sector (VCS) may rent building space in council owned properties, for the purposes of delivering their services.

Westminster council does not wish for any VCS organisation to be put at a financial disadvantage, but rather that VCS organisations' lease arrangements and rent levels, and any financial contributions towards rent levels, should be determined and set out in a way that is transparent, fair and consistent. Therefore, the council has introduced a new policy consisting of two parts. Part one is a discretionary **Financial Contribution** towards market rental rates, which might be offered to current or prospective VCS tenants. This is intended to recognise benefits to Westminster's community which directly result from the work done by VCS organisations. Part two is a **standard property lease** for VCS organisations renting space in council properties. This may be adapted depending on individual circumstances.

PART ONE: FINANCIAL CONTRIBUTION

Contribution Levels

Financial Contributions comprise of five bands of potential support following payment of estimated market rent for the building space:

(Band 0: 0%)

Band 1: 25%

Band 2: 50%

Band 3: 75%

Band 4: 100%

An assessment of the financial position of the organisation and the level of social benefit that they are delivering within Westminster will be the key mechanism for deciding which band of financial contribution the organisation may be eligible for. The higher band (band 4) level of Contribution is more likely to be granted where the applying VCS organisation:

- Aligns with the Council's strategic objectives
- Complements or addresses a gap in service provision
- Delivers benefits to a wide range of communities in Westminster and across the whole geographical span of the borough
- Requires financial support from the Council and that support delivers value for money for the Council

Decisions in respect of which band of contribution will be applied in any given case will predominantly take account of the above. Other factors which may impact on decisions may include:

- Existing partnership arrangements with the council
- Term for which property use is required
- The council's own budget position

A decision will be taken as to the appropriate banding that each organisation is eligible for following an assessment of the application submitted against the factors outlined above.

The final decision about what level of financial contribution an organisation receives is fully at the discretion of the council. There is no absolute guarantee that an organisation which meets the minimum eligibility criteria will definitely be awarded any financial contribution.

By taking part in this Financial Contribution scheme, participating VCS organisations accept that the valuation of the Indicative Market Rent for a property which is provided by the council is final and not negotiable under this scheme. Property valuations are provided for the council on a quarterly basis by an independent firm of chartered surveyors.

Evidence of Social Benefit

In order to be considered for a level of Financial Contribution, an applicant will need to evidence their impact on priority outcomes for the council. These may be strategic objectives or more specific departmental service aims, but in any case, must be demonstrably in alignment with the council's corporate narrative and strategic vision. Claims must be supported by tangible evidence. Evidence may be in the form of:

- Achievement against KPIs in respect of a formal contract, Service Level Agreement or other commissioning relationship with the council.
- Independent (third party) assessment of impact. Findings of this type must be specific to the organisation – and particular services provided by that organisation which it intends to support by use of the requested building space – and from a credible source.
- Documented service user feedback. Data may be quantitative, qualitative, or a combination of the two, but must be verifiable (even if anonymised to appropriately protect personal information).

Evidence of all types will be reviewed and considered as part of the application process at the council's discretion.

Evidence for Financial Assessment

An applicant will be asked to submit a copy of their most recent audited 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.

Governance and Decision-Making

Applications to the scheme will be considered by the council's VCS Financial Contribution Board, which will act alongside and in connection with the council's existing My Westminster Board which oversees spending of the My Westminster fund. The VCS Financial Contribution Board will meet 2 times per year OR applications to the scheme will be considered as and when they are received, and the Board may carry out its assessment and deliver its decision either at a face to face meeting or by way of written communication between its members. In any case the Board will endeavour to reach a decision within 6 weeks of an application being received, although exceptional circumstances may affect this timeline.

Applications will be received by the council's Corporate Property department in the first instance. They will then be assessed and progressed by a multi-disciplinary team to ensure that all financial, operational and policy considerations are taken into account. A recommendation will be submitted to the VCS Financial Contribution Board for their decision. The Chair of the board will be the same as that of the My Westminster Board and board members will include senior level representatives of:

- WCC Finance
- Corporate Property
- Policy
- Operational services (precise representation may vary as relevant to the organisation applying and their area of work / relationship with the council)

Board decisions will be presented to the Cabinet Member(s) with responsibility for VCS organisations to be formally ratified.

Eligibility

General eligibility criteria for VCS organisations to be considered for Financial Contributions from the council are set out in the accompanying application and eligibility form. Financial eligibility criteria are set out in the accompanying financial eligibility form.

PART TWO: VCS STANDARD PROPERTY LEASE

The VCS Financial Contribution Scheme runs in parallel with a standard VCS Property Lease. This lease agreement has been specifically developed for our tenants within the Voluntary and Community Sector, and all financial awards will be subject to standardised lease conditions being in place. Full details of the VCS property lease are available separately but key features include:

- Limited term of maximum 10 years
- Review provisions at 5-year intervals
- Clear arrangements for meeting ongoing building maintenance/repair costs
- Preclusion of sub-letting or third-party property occupation agreements other than in exceptional circumstances, and at the discretion of the council

POLICY IMPLEMENTATION

This policy will be implemented with a phased approach. This is to enable a smooth transition and minimise disruption to VCS service delivery and ongoing partnerships between the sector and the council.

The policy will therefore be applied as follows:

- For all new applications to the scheme: with immediate effect. This means any requests by organisations not currently utilising council building space must be received as formal applications through this scheme. All policy conditions outlined here, including qualification criteria, assessments and decision making and use of the standard VCS lease, will apply.
- For current VCS tenants of council properties: at the point of lease renewal. At the termination of existing agreements, a formal application will need to be made through this scheme. Applications may be for the same property as previously occupied, or another. Current tenants are also welcome to implement the new model before their lease is renewed, should this be preferred.