

**Report for:** Cabinet, 22 April 2025

**Item number:** 13

**Title:** Community Assets Social Value Policy

**Report authorised by :** Jess Crowe, Corporate Director for Culture, Strategy & Communities

**Lead Officer:** Jonathan Kirby, Director of Capital Projects and Property

**Ward(s) affected:** All

**Report for Key/  
Non Key Decision:** Key

## **1. Describe the issue under consideration**

1.1. This report presents a new policy which will allow council officers to determine subsidy levels on leases for Voluntary and Community Sector (VCS) organisations operating out of Council buildings.

1.2. This policy is the result of a year of engagement with the voluntary and community sector, as signed off by Cabinet in March 2024.

## **2. Cabinet Member Introduction**

I welcome this report, which sets out a new policy to determine subsidy levels on leases for voluntary and community sector (VCS) organisations operating out of council buildings. This is an opportunity to ensure equality, equity and fairness across Haringey assets, as well as support for organisations which bring social value to Haringey.

We recognise the importance of the work that our VCS does, and the services it provides, especially at a time when global instability is having a significant impact on our residents' wellbeing and living standards.

Voluntary and Community organisations work closely with the council to deliver highly valued services and activities right across the borough. But historically there has been a lack of consistency in how we manage our property portfolio, including our Community Assets Portfolio.

Some rents have been zero or peppercorn and others were close to market rent. Many leases have expired and there was no formal policy or framework for determining the basis on which VCS organisations should occupy Council-owned buildings.

Our Strategic Asset Management and Property Improvement Plan 2023-2028, which this policy aligns with, is committed to address these inconsistencies,

which left the council vulnerable to perceptions of unfairness of treatment, lack of transparency, and ambiguities.

In line with our Haringey Deal, since March 2024 we have been engaged in extensive collaboration and consultations with a wide range of VCS and community networks in our borough. The feedback we received has shaped this policy to ensure it is as robust and fair as possible.

I am pleased that we are now able to offer our VCS organisations this complete policy which allows us to recognise the diverse, and essential work they do. I recommend that colleagues approve this report, so that officers can urgently begin to regularise leases for our community buildings.

### **3. Recommendations**

#### **Cabinet is asked to:**

- 3.1. Note the engagement work that has been conducted since the Cabinet meeting of 12 March 2024 to codesign and consult on a social value matrix for this policy, as set out in paragraph 6.9.
- 3.2. Adopt the policy entitled 'Community Assets Social Value Subsidy' located in Appendix 1 and approve use of the self-assessment form in Appendix 2.
- 3.3. Approve the implementation of this policy as set out in paragraphs 4.8 and 4.9, in the first instance for the 23 community centres that are out of lease in the council's Community Assets portfolio, followed by the remainder of that portfolio as leases come up for renewal, noting that work continues as part of the Strategic Asset Management and Property Improvement Plan (SAMPIP) 2023-2028 to finalise the assets within that portfolio.
- 3.4. Approve the immediate commencement of lease negotiations with the two early adopter organisations as set out in paragraph 4.8.
- 3.5. Delegate any minor changes to the policy identified following the experience of applying the policy to the early adopter organisations to the Director of Culture, Strategy & Communities, in consultation with the Cabinet Member for Communities.
- 3.6. Require a report on implementation of the policy to be provided to Cabinet by summer 2026 to enable an assessment of the impact of the policy to be made, as recommended by the Equality Impact Assessment in Appendix 3.

### **4. Reasons for decision**

- 4.1. The Cost of Living Crisis following on from the Coronavirus pandemic has left Haringey's residents extremely vulnerable. This has greatly increased the urgency of the work that the VCS is in a unique position to deliver, providing a range of affordable and accessible services and support to communities across the borough.
- 4.2. Haringey has a rich fabric of VCS organisations who deliver this important work. Some of these organisations – but not all – occupy Council-owned buildings, under a variety of arrangements. Some have active leases, on a variety of terms and rental arrangements, from zero or peppercorn to something closer to market rent. Others have expired leases and are holding over until a firm decision is made by the Council as to the terms of the new lease or future purpose for the building. Others may have licenses or tenancies at will.
- 4.3. Before now, there has been no formal policy or framework for determining the basis on which VCS organisations should occupy Council-owned buildings, resulting in these inconsistencies and variety of historical arrangements and leading to the potential for accusations of unfairness of treatment, or at least a lack of transparency.
- 4.4. The council's Strategic Asset Management and Property Improvement Plan (SAMPIP) 2023-2028 includes a commitment to a Property Review Process (see 8.a on page 36 of the SAMPIP).
- 4.5. This workstream led to a decision by Cabinet in March 2024. This set out the principles for a new approach to how the council manages and delivers subsidised rents that reflect the value contributed by VCS organisations occupying its buildings. The report recommends the creation of a social value matrix, to enable VCS organisations occupying or seeking to occupy a council-owned building to self-assess the social value they produce. This would be verified by council officers and they would then receive a corresponding level of subsidy according to objective criteria.
- 4.6. The March 2024 Cabinet decision signed off a process of engagement with the Voluntary and Community Sector (VCS) during which Council officers would codesign the social value matrix described above.
- 4.7. The above engagement process has been concluded as outlined in paragraph 6.9, and this report presents a final proposal for how this process will work, with the full proposed policy located in Appendix 1 and the proposed self-assessment form attached at Appendix 2.
- 4.8. The March 2024 Cabinet Report also committed the council to identifying an early adopter organisation to identify practical lessons to inform this policy. In discussion with Haringey Community Centres Network (HCCN), who represent community centres occupying council-owned buildings, it was agreed that two out-of-lease organisations would be selected: Hornsey Vale and Markfield Park Community Centres. Property officers have been working with these organisations to inform the

proposals for social value leases. Officers will accelerate this work towards the establishment of leases for these organisations if the social value matrix and final policy included in this report are approved by Cabinet.

- 4.9. Following that, officers would work through the remainder of community centres operating out-of-lease according to the principles outlined below and in the policy in Appendix 1.
- 4.10. As this is a new policy and process, further amendments may be necessary which, so long as not substantive, could be approved under delegation, enabling the Council to take into account learning from the early adopter engagement. In particular, we are mindful that there are alternative ways of assessing social value and assigning that social value to a particular level of subsidy, which may require the current matrix to be amended for clarity. One such method would be to align quintiles of social value rather than individual scores to particular levels of social value, for example achieving a score of 80-100 in the social value matrix would equate to the maximum 80% subsidy. This will be tested with the early adopters and the matrix amended if it appears that it would be a better option.
- 4.11. The EQIA carried out on the proposal identified that it will also be important to assess the impact of the new policy, to ensure that there are no unintended consequences, and to begin to capture and celebrate the social value being delivered. The proposed report to Cabinet following the first year of implementation would provide that data and assurance.

## **5. Alternative options considered**

- 5.1. Do nothing. If the Council asked its Property and VCS team to manage the portfolio without a new policy, this would mean there would be no policy basis other than renewing the many lapsed leases at market rent for these properties which would be unaffordable for many VCS organisations. There would also be no policy rationale for letting council properties to new VCS groups and could potentially leave the Council vulnerable to allegations of arbitrary, inconsistent, or preferential treatment of its different VCS tenants. This is not a viable alternative.
- 5.2. Circular Grant. An alternative methodology to applying a rental discount is for the organisation to be charged full market rent and for the Council to provide a grant in arrears for the value of the agreed level of subsidy, subject to the organisation delivering agreed outcomes under an SLA. The same social value calculation can be used as in the discounted lease approach. The circular grant method requires another part of the Council to have their own budget lines for these grants, or for part of the rent received to be attributed to those budget lines.
- 5.3. The circular grant approach is rejected on the basis that many organisations in the VCS sector will have insufficient cashflow to cover initial payments of market rent. There is also an organisational ambition to

move away from circular grants, and a recognition that while it may be 'cleaner' from a property management point of view to adopt this approach, it requires significantly more administration and complexity of management for both the VCS and Council, which we need to minimise at a time when all budgets are under pressure.

- 5.4. Apply a 100% subsidy as requested by VCS organisations. While the pressure on VCS funding and groups is acknowledged, it is imperative that the Council has some resources coming in to contribute to management and maintenance costs, particularly as we are retaining primary responsibility for major repairs. The EQIA highlights that some organisations may find it difficult to pay even 20% rent and we will review impacts through the proposed review in a year's time to understand if mitigations may be required. This option is therefore rejected.

## **6. Background information**

- 6.1. The Council is proud of the support it provides to the Voluntary and Community Sector (VCS) to do vital work with Haringey's communities, particularly the most vulnerable. We do this in a variety of ways, whether by commissioning them directly to provide services, building their capacity and sustainability through the work of the capacity building partner and bringing external funding into the borough, or by providing them with affordable premises for offices or other spaces from which to carry out their activities.
- 6.2. Subsidised leases, to make premises affordable, have historically been agreed on an individual basis. The individual approach to designing leases resulted in inconsistency of approach, with some organisations paying peppercorn rents, and others paying much closer to market rent. This left the Council open to accusations of unfairness, or at least a lack of transparency.
- 6.3. In addition, a Property Independent Review commissioned in May 2022 found that with respect to Voluntary and Community Sector (VCS) leases, the Council had failed to maintain 'a proper landlord and tenant relationship that is ensuring that both parties (Landlord and tenant) had fulfilled their mutual obligations under the lease agreement.'
- 6.4. That Property report and its recommendations were accepted in full by Cabinet in April 2023. The recommendations, including recommendations related to the VCS, are being delivered through the Council's Strategic Asset Management and Property Improvement Plan (SAMPIP). The Community Assets Social Value Policy has been developed partly in response to that report.
- 6.5. The SAMPIP includes a Property Review Process. In accordance with this and our wider Property Governance procedures, all leases that have expired should go through this review process. 25 properties have been

identified as Community Centres within the 88 buildings currently in the Community portfolio of council-owned assets. 23 of these Community Centres fall within the category of having expired leases, which are proposed to be prioritised through this policy if approved. Without a lease, the Centres lack certainty and stability and are unable to fundraise effectively, and in many cases the Council is receiving no rent, meaning that there is a lack of funds for repairing and maintaining the assets; securing new leases is a priority for both the Centres and the Council.

6.6. The Property Review Process is continuing to review the assets held by the Council, the purposes for which they are held and how best to manage them. This could result in the current Community Portfolio being revised. For example it includes private nurseries, which while providing a community resource (childcare) are generally private enterprises operating on a commercial basis. The review is also considering how best to treat community assets on housing estates which fall within the Housing Revenue Account for budgeting purposes but often operate in a similar way to Community Centres on non-Housing land. The Social Value policy will be amended if required to enable it to be applied to HRA assets, following further internal discussions.

6.7. In March 2024, Cabinet agreed a report committing to a new approach to this issue through a process of engagement with the sector. It recommended that a social value matrix should be codesigned with the VCS. This matrix would allow organisations to self-assess the social value they produce, or plan to produce, and apply for a subsidy in accordance with that. As outlined in the March 2024 Cabinet Paper, the social value matrix would work as set out in the table below. The points or percentage allocated for each criterion met would be calculated and then added to determine the total amount of subsidy applied, up to a maximum.

Social Value Criteria	Metric	Subsidy Value
E.g. Local employment	E.g. Jobs created/residents supported into work	Percentage

6.8. An alternative approach would be to calculate a monetary value for the social value created by the activities carried out by the VCS organisations in these assets. This is considered to be a more complex calculation as it is harder to determine monetary values for all activities and there may be a potential risk of under-valuing those activities where monetary values are less clear. However, we recognise that there is merit in being able to point to the considerable social value generated by community groups and to give it a monetary value and we will continue to work with the sector to determine if this would be worth incorporating into the approach.

6.9. The engagement has been undertaken, and included:

- A number of planning and discussion meetings with representatives from Haringey Community Centres Network (HCCN)
- A workshop with HCCN on 23.06.24
- A workshop co-facilitated with Haringey Community Collaborative (HCC), the council's strategic partner, for the wider sector on 20.08.24
- A Commonplace public consultation, targeted to the wider VCS and advertised to our Community Networks and others, which ran from 17.12.24 until 10.02.25
- Two consultation and engagement sessions for all councillors to draw on their experience and knowledge of community assets in their local wards.

6.10. The two workshops were asked to feedback on a longlist of prospective social value metrics. This feedback was used to produce a shortlist, which was then taken to consultation through Commonplace. The social value metrics resulting from the workshops were:

**1. Access (opening hours & inclusion):** open when people want to use them, inclusive, and well-used by the local community

**2. Employment & skills:** offering quality employment / volunteering opportunities including paying a London Living Wage to paid staff

**3. Social and community:** delivering community activities, in particular:

- Preventing or reducing demand on statutory social care
- Supporting good mental and physical health
- Reducing loneliness and social isolation
- Providing opportunities for training and pathways into employment
- Providing opportunities and activities for young people
- Supporting families and vulnerable people with cost of living
- Providing homelessness advice and support
- Sharing and celebrating the many different cultures in our borough

**4. Environment & Sustainability:** supporting the council's efforts to tackle the climate emergency by developing sustainable policies and working practices

6.11. During the Commonplace survey, respondents were asked to order the four broad criteria in terms of what they considered most important. They were also asked to order the subcategories of Social and Community, which was expected to receive the highest weighting, as it amalgamated a number of values which had arisen in workshops.

6.12. Amongst the four headline criteria, as well as within the Social and Community Criteria, values related to employment opportunities and skills ranked lower in the Commonplace consultation. Skills and employment opportunities are nonetheless important to the council, as well as receiving

strong support in the two workshops. As a result, a decision was taken to separate these criteria from the Social and Community Heading, and redivide the metrics as follows:

**1. Access (opening hours & inclusion):** open when people want to use them, inclusive, and well-used by the local community

**2. Health and Wellbeing:**

- Preventing or reducing demand on statutory social care
- Supporting good mental and physical health
- Reducing loneliness and social isolation
- Supporting families and vulnerable people with cost of living
- Providing homelessness advice and support

**3. Opportunities:**

- Sharing and celebrating the many different cultures in our borough
- High quality volunteering opportunities
- Providing opportunities for training and pathways into employment
- Providing opportunities and activities for young people
- Pay a London Living Wage to staff

**4. Environment & Sustainability:** supporting the council's efforts to tackle the climate emergency by developing sustainable policies and working practices (Either building improvements/policies or campaigns and activities).

6.13. The final proposed criteria and their weighting, taking into account the feedback from the engagement process as a whole, are as follows:

Social Value Criteria	Subsidy Value
<b>Access (Opening Hours and Inclusion)</b>	25
<b>Health and Wellbeing</b>	40
<b>Opportunities</b>	25
<b>Environment and Sustainability</b>	10

### Operational and other considerations

6.14. It is proposed that the maximum subsidy level awardable should be 80% of market rent. Organisations will be eligible for this if they fulfil every social value criterion in the matrix. Organisations will need to achieve at least 25 points from the matrix to be eligible for a social value subsidy. This will ensure that the Council is able to keep its community assets in good condition so that they are safe and suitable for the important work for which VCS organisations use them.

6.15. It is acknowledged that many organisations would prefer to pay no rent and the Council is mindful of the proposed arrangements being affordable for the sector given the challenging economic environment in which they are operating. However, without resources coming in the Council will not

be able to afford to fulfil its responsibilities for major repairs and maintenance, as well as ensuring compliance with regulatory requirements, for which the sector also expressed a preference. Council services which use the council's operational assets, such as libraries and children's centres, contribute towards the costs of managing and maintaining those assets through the council's internal recharge arrangements, and the same principle is being applied here.

6.16. Historically, council assets have been held and managed by different services relating to their operational purposes, for example Parks or Libraries. However, the council is moving towards a Corporate Landlord model, as set out in the SAMPIP, and all assets will be held and managed according to a common set of principles and processes. This should ensure greater consistency and fairness in the application of this social value policy, which will apply to all assets in the Community portfolio, ie assets held by the Council for community benefit, as opposed to commercial, redevelopment or operational purposes.

6.17. There will be a regular review of the social value being provided by organisations using council-owned community assets, and there is the potential that if a group ceases to fulfil its social value commitments to the same level previously delivered that its subsidy will be reduced and it would then be required to pay more rent, up to the market rent level set out in its lease. Recognising that this could be a challenge, support will be provided through Haringey Community Collaborative to help the organisation return to its community purpose and organisations will have a grace period to do this before the rent is increased. Of course the reverse could also apply: if an organisation increases its social value contribution, the subsidy could increase.

6.18. As this policy applies to organisations operating from assets in the council's Community portfolio, it is important that they continue to be used for community benefits. If an organisation is assessed as not providing social value, despite having been offered support to do so, then the council will seek to regain possession of the property so that it can be used by an organisation that will deliver social value for the benefit of the community in Haringey. This will be done transparently and fairly through a marketing exercise, taking into account current provision and community needs.

6.19. Organisations' obligations to provide their agreed level of social value under this policy will be set out clearly and attached to their lease so that it is understood that continued failure to meet these obligations would potentially constitute a breach of the lease. The council recognises that most VCS organisations operating from community assets deliver fantastic services and great social value for Haringey and wants to ensure that this continues across all the assets held by the council for this purpose.

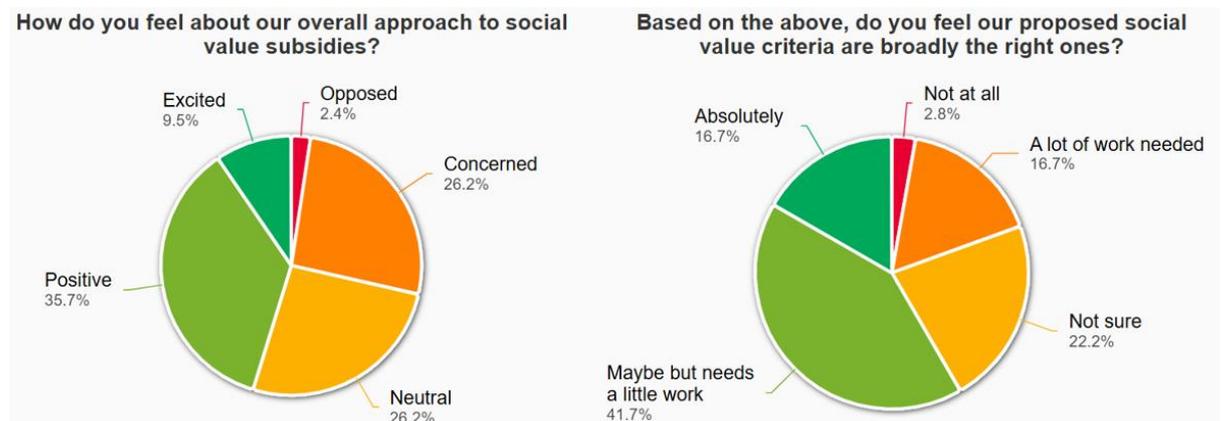
6.20. If the recommendations set out in this report are agreed, new leases for the 23 out of lease community centres will be negotiated under this

new policy. As other leases for other buildings in the Community portfolio fall due for review or renewal, they will be renegotiated under the policy. This is a significant piece of work and the council will work through the process as rapidly as possible, but it is important to highlight that it will not be possible to conclude all the new leases at once due to capacity constraints.

6.21. The council will continue to engage with HCCN and HCC to communicate how the operational roll out is progressing and to take on board feedback as required. The process of developing this policy has been collaborative and we want to continue in the same vein, acknowledging that there are likely to be individual disputes and disagreements as we enter individual negotiations. The council is committed to continuing to listen and engage in good faith and collaboration with the sector overall, in line with the principles of the Haringey Deal.

### Other issues raised during the consultation

6.22. The Commonplace site for this consultation received over 1000 visits, and around 60 respondents. Responses demonstrated general support for our approach with some concerns, as reflected in the following charts.



6.23. The consultation flagged four main areas of concern among respondents.

### 6.24. Affordability

6.25. Some respondents expressed concerns about affordability due to differing property values across the borough. Members also raised this concern in the all-member briefings. However, community leases operate in a slightly different way to commercial leases, with rent levels based more on the building's unique qualities and proposed usage. It would be compared with other, similar, buildings in community use rather than being reflective of residential or commercial property in the area. Variation in price is likely to be minimal.

6.26. This policy does not seek to sell well-used and valued community assets or to maximise the commercial income that could be generated. The maximum subsidy level of 80% means we will have a pot of money dedicated to social value assessment and monitoring, as well as undertaking repairs and maintenance so that our community assets can be invested in and remain fit for purpose.

### **6.27. Repairs and Maintenance**

6.28. Historically, some VCS organisations have experienced difficulties in securing repairs and maintenance, whether from external providers or from the Council. This has in part resulted from ambiguities in leases around the division of responsibilities, and has led to a number of buildings falling into a poor state of repair.

6.29. The Council recognises that it would be a major burden for a community group to have to find funds for major repairs such as heating systems, rewiring or a new roof. There can also be a connection between length of lease and level of capital and maintenance responsibility taken on by tenants, and the organisations can make a choice about the level of responsibility they want when they are taking on a lease. Property officers will work through this in more detail with the early adopter organisations if this policy is approved.

### **6.30. Trust in the Council to Deliver**

6.31. The experts on this area are people who work in and run community assets. Following Haringey Deal principles, the Council has engaged with the sector as much as possible to get this policy right. This policy, if approved, and the Strategic Asset Management Property Improvement Plan (SAMPIP) which precede it, are formal commitments to deliver the changes to VCS leases which the sector has been asking for.

6.32. This process has taken some time due to the level of engagement undertaken and we recognise that community groups have been waiting for long periods of time for new leases. Implementation of this policy will put Community Centres in the strongest possible position to deliver their services from secure, well-maintained community assets.

### **6.33. One-Size-Fits-All Approach**

6.34. Community Centres, and VCS organisations, are hugely diverse – this is one of their strengths. The engagement process described in paragraph 6.9 sought to capture the diversity of activities delivered in our proposed social value matrix, so that it is not a one-size-fits-all approach. The Council recognises that some smaller grass-roots organisations may be providing valuable services and activities in the community but struggle to demonstrate that their governance and organisational arrangements are sufficiently strong to be able to take on a lease, or may have some gaps that prevent them from achieving the minimum number of points to qualify

for subsidy. In these cases, support will be available to them through the Council's capacity-building partner, Haringey Community Collaborative, to help them tackle those issues and increase their eligibility for subsidy.

6.35. Where organisations are delivering very specialised services, the Council recognises that they might not be able to demonstrate that they are providing all the aspects of social value highlighted in the matrix. However an organisation does not have to do everything on the list to secure the maximum subsidy. The form provided for this purpose asks organisations to self-assess so that they can describe and do justice to the value they are contributing to their identified beneficiaries and the Council will assess the application based on that information. In addition, providing a single very specialised service should not preclude a group from being able to make a contribution to wider social value principles in the matrix such as quality volunteering opportunities or adopting sustainable building management practices. The current draft of the self-assessment form is attached as Appendix 2 and will be tested with the early adopters to ensure it is easy to use in practice.

#### **6.36. Other feedback from HCCN**

6.37. The Council has engaged with Haringey Community Centres Network throughout the process and has valued the inputs and expertise groups have provided to the discussions. HCCN have set out five main issues that they still want to see addressed in the final policy. Officers have committed to ensuring that Cabinet is fully aware of their position.

6.38. In summary their views and the Council's responses are set out below:

- HCCN would prefer a 100% subsidy where the maximum social value points are achieved. This is because in their view Centres are providing huge added value on a daily basis, providing services the Council can't provide, with the cost of provision borne by each Centre rather than by the Council.

Council response: We cannot flex on this principle as it is crucial that the Council has some resources to maintain the assets and manage the arrangements. Council services which operate from other Council assets contribute to the maintenance through the Council's internal recharge process and this reflects the same principle.

- HCCN would like the Council to retain responsibility for infrastructure and major repairs. This is because in their view the buildings are Council assets that need to be kept in good repair. The needs and costs for repairs may be unpredictable, arbitrary, unaffordable for the lessee, and therefore unfair, and the Council repair service provides expertise and economy of scale.

Council response: In most cases the Council envisages retaining infrastructure and major repairs responsibility. However, if one driver for a longer lease of more than 20 years is to enable the organisation to fundraise against the asset, we believe in those cases it would be more

appropriate for the lease to be on a fully repairing basis. This would be determined through negotiation on a case-by-case basis and will be set out very clearly in leases.

- HCCN would like to see flexibility in the qualification criteria so that the previously proposed £1m maximum turnover is not a blanket restriction  
Council response: This is accepted. We will take into account the financial size of the organisation, for example levels of unrestricted reserves, as we believe that those with more resources should contribute more but will not apply a blanket restriction.
- HCCN would like community centres to be able to use Council contracts for waste disposal and insurance to benefit from economies of scale  
Council response: We will explore with relevant services what may be possible.
- HCCN would like the Council to help groups who are evicted from their buildings due to demolition or redevelopment to find alternative premises  
Council response: We can commit to helping groups who lose their premises through no fault of their own but are not in a position to guarantee that alternative premises will be found as this will depend on what is available at the time.

6.39. While we have not been able to reach 100% agreement, we have sought to respond positively to many of the points raised throughout the process, making the policy stronger as a result. The Council will continue to listen and engage as we move into implementation, should the policy be agreed. Authorising a delegation to make minor changes, as well as agreeing to receive a report back in a year's time, will help ensure that the policy has the desired impact and no unintended consequences.

## **7. Contribution to the Corporate Delivery Plan 2024-2026 High level Strategic outcomes?**

7.1. This proposal supports Theme 4 Adults Health & Welfare: A welcoming borough with a vibrant voluntary and community sector (VCS) and Theme 7 A Culturally Rich Borough: A highly engaged, responsive and collaborative VCS.

## **8. Carbon and Climate Change**

8.1. The inclusion of Environment and Sustainability as a social value metric means that Voluntary and Community Sector (VCS) organisations are strongly encouraged to implement mitigations to their buildings and activities which offset their carbon footprint or to tackle carbon and climate change through their core activities.

8.2. This report proposes a one-year review in paragraph 4.10, as well as an annual review of each organisation's social value assessment as per

the process referred to in paragraph 6.6 and elaborated in section 4 of the policy in Appendix 1. This will allow the Council to view in full and demonstrate the positive work on carbon and climate change resulting from the implementation of this policy.

## **9. Statutory Officers comments (Director of Finance ( procurement), Head of Legal and Governance, Equalities)**

### **9.1 Finance (AA/FP)**

The rollout of the Community Assets Social Value Subsidy policy will impact our VCS tenants in different ways i.e. those on zero or peppercorn rents will see increases to at least 20% of market rent while those paying closer to market rents who can demonstrate high levels of social value criteria will see falls. As such the net financial impact is not possible to quantify at this stage.

Additional rental income has not been factored into the 2025-2030 Medium Term Financial Strategy but the Council's expectation is that the implementation of the policy will then enable the Community Assets portfolio to achieve existing budgeted levels of income that can fund the necessary repairs and maintenance and regulatory compliance to ensure our community assets remain fit for purpose.

The recommendation in paragraph 3.6 requires a report on implementation of the policy to be provided to Cabinet by summer 2026. This will also provide an opportunity to assess the actual financial implications based on the case-by-case lease negotiations that will have concluded at that point.

### **9.2 Strategic Procurement**

*Strategic Procurement have been consulted in the preparation of this report*

*Strategic Procurement note that the recommendation in section 3 of the report concern a property transaction and are therefore outside the remit of public contract legislation.*

*Strategic Procurement have no objections to the recommendations of this report.*

### **9.3 Head of Legal & Governance [Paul Gordon]**

9.3.1 The Council has the power under section 123 of the Local Government Act 1972 to grant leases of property owned by them. The Council is permitted to grant lease for a term of seven years or less at below the market rate. Subject to 9.3.2 below, if the lease term will be more than seven years and the rent will be below the market rate, the Council is required to have the consent of the Secretary of State.

9.3.2 The Secretary of State has issued the General Disposal Consent 2003 which permits leases to be granted at below the market rent where the grant of the lease will promote or improve the economic, social or environmental well-being of its area or persons resident or present in the area. This is subject to the difference between the market value and the actual rent not exceeding £2,000,000.

9.3.3 The Subsidy Control Act 2022 sets out certain obligations with regards to subsidy. The Council must (a) consider the subsidy control principles before deciding to give a subsidy, and (b) not give the subsidy unless it is of the view that the subsidy is consistent with those principles. However, in the event the proposed subsidies are considered to come within the “Minimal Financial Assistance” rules, then the Council may not “need to comply with the majority of subsidy control requirements”. Legal advice should be obtained on how the policy should deal with these legal requirements.

9.3.4 Subject to the parameters above, the Council may apply the Community Assets Social Value Subsidy to its community portfolio of Council owned assets.

## **9.4 Equality**

The council has a Public Sector Equality Duty (PSED) under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act.
- Advance equality of opportunity between people who share protected characteristics and people who do not.
- Foster good relations between people who share those characteristics and people who do not.

The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

The decision outlined in this report is to adopt the Community Assets Social Value Subsidy policy, located in Appendix 1. This will provide a financial incentive to VCS organisations occupying council-owned buildings to deliver services that produce social value according to an agreed set of principles.

In consultation for the policy, the council conducted two codesign workshops with VCS partners via the Haringey Community Collaborative and the Haringey Community Centres Network. A public consultation via Commonplace ran from 17<sup>th</sup> December 2024 to 10<sup>th</sup> February 2025.

This policy will ensure that VCS organisations occupying council-owned buildings with a social value subsidy are delivering measurable positive impacts for residents, and these could include targeted services for residents with every protected characteristic.

An EQIA was completed for the policy, located in Appendix 3. This identified potential positive impacts on all protected characteristics, as the policy will ensure that VCS organisations occupying council-owned buildings with a social value subsidy are delivering measurable positive impacts for residents. These could include targeted services for residents with specific protected characteristics.

The EQIA also identified that some VCS organisations which currently hold leases at very low cost may be required to pay more under this policy. Some of these organisations may not be able to afford to pay for a lease under the new policy and could as a result be removed from the council-owned building. Were this to happen, it is possible that an organisation that currently provides services to residents with a particular protected characteristic (or multiple protected characteristics) would lose access to that service.

Upon implementation of the policy, the council will review the impact on VCS organisations to identify any disproportionate impacts on the delivery of services which are targeted at or relevant to protected characteristics. The EQIA will be updated if such impacts are identified and any appropriate mitigations will be implemented.

## **10. Use of Appendices**

Appendix 1: Haringey Community Assets Social Value Policy  
Appendix 2: Haringey Social Value Self-Assessment Form  
Appendix 3: Equality Impact Assessment

## **11. Background papers**

**N/A**