

1. Summary

1.1 The Haringey Deal commits the Council to working closely with Haringey's communities and supporting them to build on their strengths and develop a strong and thriving borough. Recognising the social value generated by local voluntary and community sector organisations honours that commitment as set out in the Haringey Deal and allows us to measure the impact we are collectively making.

1.2 One way we can recognise and support community organisations to deliver Social Value is through provision of the buildings and assets from which they can provide their services on an affordable basis. We recognise that not all organisations operate from council-owned community assets and so access to this form of support for Social Value must be clear, transparent and fair.

1.3 The definition of Social Value for Haringey is closely aligned to the corporate delivery plan to ensure that recognition is given to those organisations and activities that are aligned with the Council's priorities. We want to ensure that organisations are able to clearly understand what they need to deliver in Haringey to achieve a high Social Value score and so the measures and assessment process will be clear and transparent.

1.4 A social value subsidy will be given to organisations based in council-owned assets based on the score that they achieve, so that they will be charged less than the assessed market rent.

1.5 To ensure that the Council is deriving the greatest social value from its assets, there are a number of qualifying criteria that organisations will need to meet in order to be eligible for the Social Value subsidy. Organisations that do not qualify will be able to access support through the Haringey Community Collaborative to help them become eligible for the Social Value subsidy.

2. Defining Social Value in Haringey Community Assets

2.1 Social Value, as understood by the Social Value Act of 2012, encourages commissioners of public services to think about how they can secure wider social, economic and environmental benefits, not just the lowest cost of delivery.

2.2 The same principle can be applied to community spaces. A council-owned building or space has a market value, but this does not recognise the potential social value that is delivered through that space by the community organisation that may be occupying it.

2.3 The definition of social value in the Social Value Act 2012 is broad and flexible, enabling local authorities to define the kind of social value they wish to reward within their own policy. The Council already uses some social value indicators in its procurement activity but we wanted to develop a bespoke set of measures for community assets which can reflect the unique activities that voluntary and community organisations in Haringey deliver.

2.4 In line with Haringey Council's corporate delivery plan and our Borough Vision, and following wide engagement with the voluntary and community sector locally, the council has identified four principles as core to deciding whether community assets are delivering social value. These are:

- **Access (opening hours & inclusion):** open when people want to use them, inclusive, and well-used by the local community
- **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
- **Opportunities:**
 - High quality volunteering opportunities
 - Providing opportunities for training and pathways into employment
 - Providing opportunities and activities for young people
 - Paying a London Living Wage to staff
 - Sharing and celebrating the many different cultures in our borough
- **Environment & Sustainability:** supporting the council's efforts to tackle the climate emergency by developing sustainable policies and working practices

2.5 These four strands align with corporate priorities and will define how Social Value is measured. They are also broadly aligned with the four themes from the National TOMs (Themes, Outcomes and Measures) framework for measuring social value: Community, Work, Economy, Planet (<https://www.socialvalueportal.com/measurement>).

2.6 The importance of community assets providing inclusive, welcoming spaces that are open and accessible to all and the particular community activities that should be recognised as generating social value were identified and prioritised through VCS engagement workshops held during summer 2024 on this issue, followed by a Commonplace consultation over the winter of 2024/25.

3. Measuring Social Value in Community Assets

3.1 Voluntary and Community organisations are very different from each other: in size; capacity; purpose; reach; and target audience. They also do not all generate the same level of social value: just because an organisation is community-based, does not automatically mean it is delivering social value. It is necessary to be able to measure social value, and to do so in a way that is objective, fair, transparent and simple to assess.

3.2 Voluntary and Community organisations produce a variety of outputs, outcomes and impact reports to satisfy a range of funders. The Council does not want to create additional unnecessary bureaucratic procedures.

3.3 Following engagement with the Voluntary and Community Sector in Haringey, a social value matrix for community assets has been devised that looks at each of the four strands of social value defined in section 2.4. The matrix is scored out of 100 with maximum scores given to each strand.

Social Value Strand	Maximum Score
Access (Opening hours & Inclusion)	25
Health and Wellbeing	40
Opportunities	25
Environment & Sustainability	10

3.4 Each social value strand contains a number of measures with a point score attached to each measure. Some measures have a fixed score (i.e. London Living Wage is paid) and some have a variable score dependent on the level of the activity. This unambiguously sets out the Council's expectations in terms of social value.

3.5 A score of close to 100 would represent a vibrant and well-run organisation that is delivering substantial health and wellbeing benefits to Haringey residents. Not only would the organisation be delivering a wide range of support activities from a building that was open and accessible for the majority of the week, but it would be paying employees the London Living wage, offering work, volunteering or cultural opportunities, and would have environmental policies and procedures in place.

3.6 An organisation would be expected to evidence that they were achieving a minimum score of 25 to be considered to be delivering a level of social value that would attract any kind of social value subsidy. If an existing tenant's score fell below 25, they would be offered support to improve the social value they offer, during which period they would continue to receive the minimum level of subsidy, but if after a year their score did not improve above 25 then they would be considered in breach of their lease, which would be terminated, freeing up the asset for reletting to another community organisation who could demonstrate that they would be able to provide more social value.

3.7 The flexibility of the matrix, along with an annual review, provides an opportunity for organisations of differing capacities to be recognised for the social value that they do provide. It further provides opportunities for organisations to build capacity and deliver greater levels of social value over a period of time and be recognised for this by being able to attract a higher level of social value subsidy.

3.8 The annual review also ensures that the Council is able to monitor the level of social value delivered by organisations and reduce or increase subsidies, as appropriate, where organisations are delivering less or more social value than they previously had.

3.9 Over time, capturing evidence in this way of the great social value that we know is provided by VCS organisations will enable Haringey to celebrate the contribution which voluntary and community groups make to the life and communities of the borough and to quantify the support provided by the Council to enable it to happen.

4. Recognising Social Value in Community Assets

4.1 Social value provided by Community and Voluntary organisations who lease Council buildings will be recognised through a social value subsidy, meaning that they will be charged less than the assessed market rent.

4.2 The social value matrix gives organisations a score out of 100 across the 5 social value strands. A score of 100 equates to a social value subsidy equivalent to 80% of the Market Rent (the maximum discount to be given). The minimum score of 25 would provide a subsidy equivalent to 20% of Market Rent. Scores below 25 would not qualify for a subsidy.

4.3 The Council reserves the right to cap the level of subsidy available if it becomes clear that the building is effectively nearing 'end of life' and the costs of bringing it back into viable or sustainable use would outweigh the resources available to do so.

4.4 Due diligence will be carried out to ensure that an organisation entering into a lease and receiving a social value subsidy has what is known as Covenant Strength i.e. is well-governed and capable of meeting their obligations. However, where an organisation already has an industry standard kitemark / quality assurance such as Trusted Charity Mark or Arts Council National Portfolio Organisation status, which cannot be acquired without being an organisation of good standing, then proof of that status would be sufficient.

4.5 The first year of subsidy would be based on the business plan of the organisation. This would be assessed against the social value matrix to provide the level of subsidy that would be applicable. The year two subsidy would be determined at month 9 through an assessment of the previous 9 months delivery against the matrix. In subsequent years the subsidy for the following year would be determined at month 9 through an assessment of the previous 12 months delivery against the matrix. This would enable organisations to understand their expected subsidy 3 months in advance.

4.6 Subsidy amounts would be applied against an organisation's monthly / quarterly invoice and would not take the form of a grant or payment to the organisation. For example, where the market rent for a property was £10,000 and an annual subsidy credit of £5,000 was given for social value, the annual invoice amount for that year would be £5,000. The market rent quarterly invoice of £2,500 would show a £1,250 subsidy credit and the organisation would be invoiced

for the remaining £1,250. If in the following year, the level of social value increased and an agreed subsidy of £7,500 was given, the market rent quarterly invoice of £2,500 would show a £1,875 subsidy credit and the organisation would be invoiced for the remaining £625.

4.7 The council requires an occupational rent (of a minimum 20%) of the assessed market rent to be paid by all organisations to ensure it has sufficient resources to maintain functional and fit for purpose community assets.

5. Qualification Criteria

5.1 The Council wishes to target the support it provides to the voluntary and community sector through providing premises to those organisations most in need and to ensure that they are community focused organisations working for the benefit of Haringey residents. We have therefore set a number of qualifying criteria which organisations need to meet to be eligible for a social value discount on their rent:

- Voluntary & community organisations would need to be registered in Haringey or have Haringey listed as an area of operation to qualify for a social value subsidy.
- Commercial organisations are not eligible for a social value subsidy. Paid membership organisations are eligible providing that membership is not used to exclude non-members from using the facilities or carrying out activities. Organisations should be a registered charity, community interest company, co-operative or suitable alternative where the profit of the organisation is used for social aims. The Council's decision on eligibility will be final.
- Appropriate accreditation will be required such as Trusted Charity Mark Level 1, Volunteer Centre Quality Accreditation or incorporation with the CIC Regulator, depending on the type of organisation. This is to ensure that subsidies are given to well-run, sustainable organisations.
- The size and turnover of the organisation, as well as their available reserves and ability to draw on other resources, for example if they are part of a national chain or group of organisations, will be taken into account in determining the level of subsidy to be applied.
- Organisations that are based in a Housing Revenue Account (HRA) community asset such as an estate community hall (which is maintained through the rents and service charges paid by council tenants and leaseholders) are currently excluded. The Council is still working through whether and how this policy can be implemented in relation to HRA assets and the policy will be updated accordingly once that work has been completed.

6. The community assets to which this policy applies

6.1 The subsidy is to organisations, not to buildings, and the above qualification criteria determine which organisations can apply.

6.2 However, subsidies can only be applied to organisations occupying assets in the Council's defined Community Portfolio which indicates that the asset is held for community benefit purposes rather than operational or commercial purposes.

6.3 The policy is only intended to apply to organisations taking on an asset through a lease rather than any other form of occupation such as sessional room hire or licences to occupy parts of buildings. The council already offers discounted or community rates for most of its sessional hire spaces.

6.4 While the industry term 'market rent' is used to describe the initial basis for the rent to which a social value subsidy would then be applied, this refers to the rent that would be expected for comparable community buildings, rather than if the building or land was being leased for commercial or redevelopment purposes.

7. Appeals Process

7.1 In the first instance appeals against a social value scoring should be raised with the Assistant Director of Culture & Creativity.

7.2 If after a review of the scoring an organisation still does not agree with the social value scoring, it can be raised through the Council's complaints procedure.

7.3 This appeals process does not apply to the initial determination of the market rent. The Council starts from the position that the market rent has been independently assessed by a RICS registered Valuer and to the principles of the Red Book so that it is independent and arms-length from the Council. However, it is accepted that valuation, while based on market evidence, is partly a matter of opinion. Negotiation about this is expected to form part of the process and the Council would encourage organisations to take their own professional advice.