



# **Community Benefit Rent Reduction**

## **Eligibility Criteria**

## LBTH Community Benefit Rent Reduction – Eligibility Criteria

Eligibility Criteria for Community Benefit Rent Reduction	How tested
<p>In addition to meeting the criteria for being able to apply for a lease at a ‘D1 Community Rent’, the lessee should be able to demonstrate that they are:</p> <ul style="list-style-type: none"> <li>• Community-led (i.e. its proposed/existing governance arrangements must demonstrate that it has strong links with the local community, and that members of the community are able to influence its operation and decision-making processes);</li> <li>• Appropriately constituted and capable of demonstrating good governance through open and accountable processes, with adequate monitoring, evaluation and financial management systems;</li> <li>• Capable of sustainably, legally, and safely managing an asset and delivering services from it.</li> <li>• Capable of demonstrating the social, economic, and environmental benefits they deliver through their activities and that these clearly link to the council’s own desired outcome for the borough as expressed in the Community Plan.</li> <li>• Able to demonstrate how they will embrace diversity, work to improve community cohesion and reduce inequalities.</li> <li>• Willing to offer space and support to other smaller local groups</li> </ul>	<p><b>Stage 1:</b></p> <p>Initial light-touch <b>Expression of Interest</b> by the community group</p> <p><b>Stage 2:</b></p> <p><b>Testing the skills, knowledge and capacity</b> to run the building safely and legally. An independently assessed legal compliance tool <i>preVISIBLE</i> will be used to test the following:</p> <p><b>Testing the business case</b> with a satisfactory and proportionate (to the scale and type of organisation) business plan that demonstrates an evidenced ability to manage the building sustainably over the term of the lease. The business case will need to demonstrate:</p> <ul style="list-style-type: none"> <li>• How it engages with the community it serves and seeks feedback on its activities in order to inform strategic planning of new services and changes/improvements to current services.</li> <li>• Clear evidence of embracing diversity and promoting community cohesion having regard to the council’s Toolkit on Community Cohesion.</li> <li>• Clear evidence that the asset will be used efficiently and intensively.</li> </ul> <p><b>Testing the social, economic, and environmental value</b> by demonstrating that its activities and use of the building will deliver clear and evidenced social, economic, and environmental benefits in</p>

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<ul style="list-style-type: none"> <li>• Demonstrate how the organisation contributes to the Voluntary and Community Sector Strategy Action Plan.</li> <li>• Agree to the principles of the Tower</li> <li>• Hamlets Compact.</li> </ul>	<p>line with the Corporate Objectives ('core themes') in the council's 2015 Community Plan.</p> <p>For organisations where their potential 'Community Benefit rent reduction' would be equal to or less than £20k per annum, table A, will be used which links social/charitable objects to actual activity to council objectives.</p> <p>For organisations where their potential 'Community Benefit' would be greater than £20k per annum more detail will be required and an external tool will be used. The <i>Your Value</i> tool would be used for this purpose.</p>
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Your Charitable or Community Objectives	Your Organisation's current activities that meet these objectives	Your Local Authority's Corporate Objectives that your activities contribute to

Table A – to be completed for organisations where their potential 'Community Benefit rent reduction' would be equal to or less than £20k per annum

### Exclusions to Community Benefit Rent Reduction

There are some exceptions to those that will be eligible for the rent reduction and these are detailed below:

- Where the Council enters into a lease based on a peppercorn rent (e.g. £1 a year) with Tenants and Residents Associations (TRAs) who are recognised by Tower Hamlets Homes, the Council's housing armslength management organisation, subject to meeting the relevant criteria. The community building must form part of the Housing Revenue Account, be well used and in good condition.
- As detailed in the 1st December 2015 Cabinet report Community Buildings: Allocation and Charging Policy, nurseries/playgroups and places of worship will attract the community rent as described in the 1<sup>st</sup> November 2016 Community Cabinet Buildings report in paragraph 5.5.

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- Organisations who are considered to be engaged in economic activity for the purposes of the State Aid rules.
- The community benefit rent reduction policy will not include an allowance for parts of the building that are available for use by other members of the community or general community use, as this will be complex and resource intensive to administer and monitor.
- The Council remains committed to ensuring that there are sufficient high quality childcare places across the borough and will continue to work with and support private and voluntary childcare organisations, including nurseries and playgroups. The Council's Integrated Early Years' Service provides a range of support and is developing options that will include support for those nurseries and playgroups affected by the Council's Community Buildings policy.
- Faith-based organisations, not occupying a place of worship and providing general community use, will be eligible to apply for the community benefit rent reduction.
- Those organisations in receipt of a Council grant or contract where the rent for their premises is already included in the scope of that grant or contract for the whole duration of the lease.
- Those organisations who are not on the standard community lease, the principals terms of which are described in paragraph 5.3 of the 1<sup>st</sup> November 2016 Community Cabinet Buildings report. This includes organisations on leases of less than 3 years (e.g. meanwhile uses) and those on longer leases (in excess of 5 years). This also includes organisations that only pay a ground rent.