

Community Spaces:

Voluntary and Community
Sector Rents and Leases
Engagement Report

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1. Acknowledgements

Snook would like to thank the people of the VCS community in Camden and Camden Council officers for welcoming and supporting us throughout the engagement process.

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2. Summary

Project Background

This report presents the findings of a research engagement commissioned by Camden Council to inform the design of a Community Spaces Framework. The framework aims to create a clear, transparent and consistent approach to leases and the of setting rents for Voluntary and Community Sector (VCS) organisations who lease council-owned buildings.

The engagement was carried out by Snook from February to April 2019 and sought to understand the diverse contexts, issues, opportunities and concerns of organisations regarding their premises, rents and leases.

Findings

Through a thematic analysis of the qualitative data gathered in the engagement, five key themes emerged from the research:

Context of the VCS: Pressures & Opportunities

There are significant pressures on the VCS. The changing shape of the funding landscape was regularly referenced, as was the increasing need of the communities that they serve. It was also apparent that existing rents and leases are exacerbating existing pressures and, in some cases, threatening the viability of some VCS organisations.

However, there are opportunities too. The professionalisation of boards and trustees is helping to develop new networks and funding opportunities. Skills that are helping to improve operations and increasing access to broader audiences continue to be shared and developed within the VCS. Also, some organisations are using novel approaches to access funding.

Relationship with the council and within the sector

The relationship between the council and the VCS is strained. Many organisations are grateful for the Council's ongoing support through this period of austerity. However, the ongoing issues associated with rents and leases and the way in which they have been handled, has led to significant anger and cynicism amongst many of the organisations interviewed. Furthermore, many organisations are frustrated about how distant some aspects of the Council can be, specifically when trying to resolve issues with their premises. Strategic Partners, in particular, commented that they are dissatisfied with the relationship and the limited nature of the partnership in practice.

There are also tensions within the sector. Whilst some of these are caused by differing approaches, others are a consequence of inequalities caused by the inconsistency of rents and leases across the borough.

Transparency of process

Opacity regarding different aspects of rents and leases is a concern across the sector. At a macro level, it is unclear why levels of rents and terms of leases have historically been set across the borough. It is unclear what has informed the historical setting of rents and terms of leases across the borough. Similarly, the Council's position regarding the levels of rent charged for section 106 buildings was a consistent cause for concern.

At a micro level, there was a desire for greater transparency within individual leases, with specific reference to maintenance and service charges, and responsibilities for repairs and health and safety checks.

Social value: collection and use

Social value was generally seen in a positive light. Many organisations enjoyed collecting and recording the data. It informs their service delivery, brings them closer to their community, and creates a sense of pride and satisfaction in their work. However, the process for collecting social value data can be onerous, particularly in a challenging funding landscape where time is a significant pressure. There are also conflicting concerns about the most appropriate model for collecting social value, and how it should be used.

Consistent approach

Some organisations believe that existing inequalities in the borough are not reflected in the current leases. They stressed that any future lease would need to acknowledge the contextual pressures that exist within the communities they serve: their needs; their locations; their building's size and condition; and its accessibility. There was also concern about the vulnerability of smaller organisations and the impact that changes, or inaction, will have on the communities that they serve.

Principles

Based on the research findings, a number of principles have been identified that can assist the council in the development of the future framework, and ensure its transparency, clarity and consistency.

- 1. Consider the historical context**
- 2. The framework should be flexible**
- 3. The framework should be simple**
- 4. Development should be transparent and open**
- 5. Consider the downstream consequences**
- 6. The framework should be consistent**
- 7. The framework should be supported**
- 8. Data should be useful and used**

Recommendations

Building on the research findings, the following recommendations have been created for consideration during the development of the framework, and for future decision making.

1. Can the Council create clear communications on section 106 and peppercorn rents? What is the reasoning behind charging rents on section 106 buildings and peppercorn rents?
2. In future leases, how might the council be clear on what is included in the lease and avoid any hidden charges.
3. How might the council be consistent and clear on what is included in service and maintenance charges, and who is responsible for repairs? What shared infrastructure might make maintenance and service charges cheaper and easier to administer.
4. The lease represents a linchpin in the relationship between VCS organisations and the Council. How might Camden Council use this opportunity to co-create a new 'contract' that will make responsibilities and expectations clear between both parties, and allow them to agree how they will work together in the future.
5. Could the Council help to further leverage the knowledge and expertise of all VCS organisations to share within the sector, creating greater opportunity for collaboration and skills development?

6. Could the Council act as a 'strategic convener', creating opportunities for the VCS to link to new networks as well as existing and alternative means of funding? This could build VCS organisations' capabilities, open up new opportunities and, in turn, help them to become more self-sustaining
7. The council could create a standard that allows VCS organisations to report using the social value data which they are already generating for other funding streams. Leveraging this existing data could also demonstrate how their premises provide social value.
8. The council should ensure it makes use of the data it captures from the VCS. It should also consider what data it wants to capture with consideration to how it could be used, specifically how it could travel. What might enable that data to travel vertically through the council's hierarchy, and horizontally across different departments and other organisations.

3. Introduction

Project Background

This report presents the findings of a research engagement¹ with VCS organisations in Camden carried out by Snook from February to April 2019. The engagement's aim is to inform the development of a framework which will enable Camden Council to create a clear, transparent and consistent approach to leases and the setting of rents for Voluntary and Community Sector (VCS) organisations which lease Council-owned buildings.

Camden has over 500 Voluntary and Community Sector organisations with around 60 organisations leasing over 70 of Camden Council's buildings. These include purpose-built community centres, youth centres, day care centres, nurseries and play centres, parks and open spaces, and office space administer and deliver project activities. Whilst some buildings have been purpose built for community use, others have evolved over time.

Camden Council owns a range of spaces which are used for the benefit of the community. These spaces bring people together, foster cohesion and resilience within the community, and bring social value and investment into Camden in the form of local jobs, volunteering opportunities and external funding.

Affordability of space is a key concern for the VCS, particularly in London where the cost of rented space has continued to rise, whilst sources of funding have continued to dwindle.

The ending of rent relief exposed a variety of different lease arrangements developed on an organisation-by-organisation basis over several years.

Camden have identified this as an opportunity to develop a new 'Framework for Community Buildings', which aims to provide a consistent and transparent approach to leases and rents, which is easy to administer and apply.

This engagement process aimed to:

- understand the diverse contexts of the borough's VCS organisations, the issues they face, the opportunities they see, and any concerns that they might have about their buildings, rents and leases.
- identify insights and considerations which should be taken into account in the development, implementation and support of a new framework.

¹ Disclaimer: the consultation for this research process does not qualify for legal purposes.

- bring these insights and considerations back to the Council so that community partners, as well as financial, property and legal teams, can develop the framework and consider how it might operate in practice.

Snook

Snook is an award-winning design agency based in London and Glasgow. Specialising in service design, Snook is on a mission to make the world work better for people. We live in a world that is powered by services, and Snook exists to inspire, educate, and build the capacity of organisations to create better services through conscious design.

We have been designing services with government for the past 10 years. We've worked on services that have gone live for the likes of Glasgow City Council, Government Digital Service, and Cork County Council.

Approach

Snook's researchers applied a qualitative approach to the engagement using in-depth user research. This took the form of detailed one-to-one interviews, phone interviews and online surveys with members for Camden's VCS community that deliver frontline services within the borough, as well as Camden Council officers.

The research focused particularly on community centre managers or directors as the best placed to discuss how the issue of rents and leases affects their services.

During this engagement exercise, Snook worked closely with colleagues from Camden Council's Community Partners team and other interested parties within the local borough council. Regular stand-up meetings, along with working group meetings, ensured that this was a collaborative process.

4. Process

Recruitment

Recruitment of research participants was carried out by Snook. Participants for research were suggested by both Camden Council and members of the VCS community. The research team aimed to capture the diversity of the VCS in Camden by engaging a representative sample of organisations across differing communities, locations, types of building, types of lease and size of organisation.

The Council also requested that, in order to capture a broader range of opinions on rents and leases across the sector, the engagement reach VCS organisations which are not currently tenants in Council-owned buildings .

In-depth Interviews

In-depth interviews are an essential way of understanding participants' experiences. Interviews lasted between 45 - 80 minutes and were recorded if the participant gave consent. Discussion guides were used to structure the conversations.

Phone Interviews

Phone interviews allowed the research team to expand their reach. Interviews lasted between 30 - 60 minutes and were recorded if the participant gave consent. Discussion guides were used to structure the conversations.

Online survey

An online survey was used which allowed the researchers to reach a broader audience. The survey was distributed through Camden Council's Community Partners team, taking advantage of their existing relationships with VCS organisations across the borough. The survey used open questions that allowed space for recipients to respond with longer, text-based answers, ensuring that they could express a range of opinions.

Co-synthesis

A co-synthesis session was run where Snook and Council members worked as a team to analyse the research collected. They were tasked with looking for problems, opportunities, principles and insights that could help inform the framework and point towards the support that might be required.

Synthesis

The Snook team used thematic analysis to synthesise the notes and data gathered through the engagement. This process was used to identify and refine the findings, principles and recommendations detailed later in this report.

Research Playback Panel

A research playback workshop consisting of five members of the VCS community was used to share the research findings and gather feedback. This process ensured that the research accurately represented the broad range of experience and opinion from within the VCS community.

Anonymisation

To protect the participants, all research data has been anonymised and any identifying factors have been removed.

Research breakdown

30

Research engagements

13

In-depth interviews

7

Phone interviews

10

Unique survey responses

With a further **8** responses submitted from organisations that had previously participated in the research.

13

Camden Council Officers engaged

From: Asset Management & Compliance, Legal, Commissioning & Partnerships (Play), Property Services, Asset Strategy and valuations, Sport and Physical Activity & Community Partnerships

Of those that participated:

19

VCS organisations are currently resident in Camden buildings

11

VCS organisations are not resident in Camden buildings

5. Research Findings

Emerging themes

Through a thematic analysis of the qualitative data gathered in the engagement, five key themes emerged from the research:

Context of the VCS: pressures & opportunities

Relationship with the council and within the sector

Transparency of process

Social value: collection and use

Consistent approach

Context of the VCS: pressures & opportunities

There are significant pressures on the VCS. The changing shape of the funding landscape was regularly referenced, as were the increasing needs of the communities that they serve. It was also apparent that existing rents and leases are exacerbating existing pressures and, in some cases, threatening the viability of some VCS organisations.

However, there are opportunities too: the professionalisation of boards and trustees is helping to develop new networks and funding opportunities; and skills that are improving operations and increasing access for broader audiences continue to be shared and developed within the VCS. Also, some organisations are using novel approaches to access funding.

Pressures:

Length of lease and break clauses can be a barrier for project and capital funding, and poses a threat to the viability of some organisations.

Organisations have expressed that they are inhibited from securing core funding due to the length of their lease. Some organisations expressed that funders and donors need to ensure that their investment is secure, therefore they require a 10 year lease minimum, while others require a 20 year lease and no break clause to be eligible for grants – the restraints of holding a Camden lease threaten their existence and sustainability.

“We are restricted with our lease, we can't secure funding, we can't move left or right.”

- Camden VCS tenant

There is acute frustration at the Council's inaction on the issue of rents and leases. This creates uncertainty around future levels of rent and is causing significant concern.

Many organisations are exasperated at the length of time it has taken to address the issue of rents and leases. Various durations were mentioned from 10 - 35 years. Organisations were also concerned about the prospect of market value rent.

“I have been here for 34 years and they have discussed it one way or another for that time.”

- Camden VCS tenant

“How many VCS organisations will be in existence if this market value will come into play”

- Camden VCS tenant

Current levels of rent threaten the viability of some organisations, and could have knock-on effects for smaller organisations and groups.

Some organisations that pay rents pointed out that the levels of rent are unsustainable. They also pointed out the systemic effects of losing affordable space for smaller groups to meet or host events in, and how this might have negative effects on the wider community.

“This is one of the biggest barriers. It is killing organisations and killing the entire sector because it affects both local community organisations that have buildings, and the smaller groups that meet there ... Indirectly this process is killing the entire sector”

- Camden VCS non-tenant

Some facilities are no longer fit for purpose. Maintenance and repair of premises is costly and time consuming.

Maintaining and repairing the premises concerns the majority of organisations. Some often repair, upgrade and repurpose the premises to best fit their needs, as well as the people they serve.

“We are operating within facilities that are not fit for purpose”

- Camden VCS tenant

Service charges make some spaces unaffordable.

Organisations are worried about how the high cost of service charges affect them. Some organisations acknowledged that they will not be able to afford the service charges, or fear that they will bankrupt them.

“We would be interested in [becoming a tenant], but the quoted level of service charge, we would not be able to afford that”

- Camden VCS non-tenant

Contextual pressures can limit the ability of some organisations to be entrepreneurial.

The majority of organisations consider themselves entrepreneurial, making efforts to generate the income necessary to accomplish their purpose in the community.

While there is willingness within organisations to become more entrepreneurial, there are significant differences between organisations that impact on this willingness. These pressures include:

- the varying demands and needs of their local communities.
- the time and resources available after meeting the needs of their communities.
- their locations – some organisations benefit from having more central locations whilst others are in less accessible and/or less desirable locations.
- the type, age, size, facilities and condition of their buildings.

“Time is a big factor ... It takes a while to turn something around, you can’t go from being grant funded to completely self-sufficient. It is a long journey, and it needs a long view.”

- Camden VCS tenant

Some organisations would be happy to co-locate, a number are already doing so, but contextual pressures mean that some are not able to do so.

In the sample group, a small number of organisations resident in council-owned buildings are already renting spaces to other organisations. One organisation was actively exploring the option to co-locate. Other smaller organisations were already co-located with other organisations.

Organisations that are considering renting spaces out to other organisations would like to prioritise offers that benefit their community and that would complement each other. However, some organisations pointed out that the location, type, age, size, capacity, facilities and condition of their buildings all inhibited their ability to invite organisations to co-locate in their premises. Two organisations with modern buildings in central locations pointed out that it was more lucrative to rent space out on a short-term basis for meetings and events, rather than subletting space to smaller organisations.

“It all comes down to locality, not about us. It is about users and beneficiaries; if they can get there and what kind of spaces are there”

- Camden VCS co-located in Camden owned building

Many organisations are under significant pressure due to decreasing funding opportunities and increased competition, whilst the application process and monitoring becomes more onerous.

Funding was identified as a primary pressure. Organisations are aware that sources of funding are becoming less available, and the process has become more competitive. Most of them made reference to the fact that they were all fighting for limited sources of funding. Some organisations highlighted that they are looking to collaborate more rather than compete with one another.

The majority of organisations commented on the significant amount of time taken up by funding applications and monitoring. The pressure is intensified by the success rate of funding applications, which has seen a marked decline over recent years. This has led to many organisations applying for more pots of funding, placing yet more pressure on their time, and further reducing their capacity.

“[Funding] is getting tougher. 30 years ago, when you applied it was 50/50 chance of success. Now it is probably a 1 in 5, or 1 in 6 opportunity for success.”

- Camden VCS tenant

Organisations are already very busy and are doing more with less as the needs of the community increase.

Organisations are concerned that as the needs of the community increase, so too does the demand for services. They are in an unsettling environment facing a capacity issues, battling with financial pressures whilst still working to deliver services to the community. Many organisations mentioned that they are doing more with less.

“...the needs are getting greater, and increasing on a regular basis. If you look at all the troubles at the moment, look at people, rough sleeping, stabbing, anti-social behaviour.”

- Camden VCS tenant

Opportunities

Building capacity, networks and boards that enable access to funding from a wider range of sources.

A small number of organisations discussed how they had recruited and utilised their boards and trustees to access alternative sources of funding, typically from private sector donors. The networks of these trustees were mentioned as a significant asset, as were their professional skills that were used to develop the capacity of the organisations, for example in accounting

and auditing. One organisation referenced how important a patron and their network was in creating new opportunities for them:

“Our patron will access people that we could never get close to. We wouldn’t be where we are without that breadth of trustees.”

- Camden VCS tenant

Reaching a broader audience to build community, and increasing chances of successful funding and income generation.

Many of the sampled organisations recognise the need to communicate the work they do to inform and build trust with local residents and expand their reach to potential donors. Some are looking for ways to create and/or improve communication and social strategies to boost donations and support their fundraising goals. It was pointed out (by an independent charity) that social media training is one of the largest requests from organisations in the borough.

“Our online presence is as important as our physical space.”

- Camden VCS tenant

“We have huge donors around here - how do you get them involved? And you need a good communication strategy; and good social media strategy.”

- Camden VCS tenant

Skills and experience sharing.

There is already a strong culture of skill and experience sharing between organisations across the VCS. A small number of organisations with more novel approaches to raising funds and building capabilities discussed their willingness to share their approaches more broadly across the sector.

“Our approach has advantages to it, and we would be willing to share that experience [with other organisations].”

- Camden VCS non-tenant

Exploring alternative means for generating income and funding.

The majority of organisations in the sample are attempting to diversify income streams with the aim of becoming sustainable. Whilst the intent seems common, there are a range of approaches to achieve this. Some of these are more novel, for example distributing services and funding opportunities throughout a range of community spaces, whilst others favour a more traditional approach, for example room booking.

“We should be presenting in a joint way to funders; we should do it in the right way and in a way that is useful for all of us. Use a distributed approach to reach out to the community.”

- Camden VCS tenant

A small number of organisations would like to revisit the possibility of asset transfer to increase the prospect of their long-term viability.

A small number of organisations felt that some form of asset transfer would create the best, long-term basis for their services. Whether asset transfer in this case referred to ownership or management of that asset was not discussed. One organisation felt that this option was not sufficiently explored in the past and suggested that asset transfer may end up saving the Council money, as maintenance and management of that space would no longer be their responsibility.

“We would prefer to go for an asset transfer and negotiate a price ... Camden was badly advised of what an asset transfer had to be ... Some of the issues around VCS leases had a consequence on that.”

- Camden VCS non-tenant

Relationship with the Council and within the sector

The relationship between the Council and the VCS is strained. Many organisations are grateful for the council's ongoing support through this period of austerity. However, the ongoing issues associated with rents and leases, and the way in which they have been handled, has led to significant anger and cynicism amongst many of the organisations interviewed. Furthermore, many organisations are frustrated about how distant some aspects of the council can be, specifically when trying to resolve issues with their buildings. Strategic Partners in particular commented that they are dissatisfied with the relationship and the limited nature of the partnership in practice.

There are also tensions within the sector. Whilst some of these are caused by differing approaches, others are a consequence of inequalities caused by the inconsistency of rents and leases across the borough.

The majority of organisations respect and understand the Council's position and are grateful for their support to date.

Organisations acknowledged – and are grateful for – the efforts that the Council has made to support the sector. One organisation pointed out that they don't do anything without the Council knowing. Many organisations indicated that their relationship with the Council – specifically with the Community Partners team – is good.

"I think Camden didn't take the easy option and cut the VCS. You have seen how hard other boroughs have come down on it."

- Camden VCS tenant

There are significant concerns about the future relationship that Camden wants with the VCS.

Some organisations expressed a desire for a closer relationship with the Council, so that they can all contribute to a sustained way of doing things. Some indicated that they would like more help from the Council to bring further opportunities to the sector.

Do you want an organisation to stay and do you want to support it and how you can do it? Because otherwise it is really difficult working in isolation and it's not very collaborative.”

- Camden VCS tenant

Many strategic partners do not feel like they are in a true partnership.

Some strategic partners stated that the relationship they have with the council does not feel like a partnership. They felt that they are not involved closely or early enough in the planning and decision-making processes, including the discussion on rents and leases, and how this is contrary to the Camden 2025 vision. They would like to be able to get more involved in discussions, strategy and decision making, being in a true partnership with the Council.

“We don't feel like a strategic partner, it feels like a father/children relationship and it has to change. We have to feel like we are on the same side, mission, vision; objectives have to be aligned.”

- Camden VCS tenant

Tensions with the Council. Some organisations feel they were coerced into leases. Amongst some organisations this has led to distrust of the Council.

Some Strategic Partners that participated made reference to the way in which leases and Strategic Partner funding was previously agreed. Anger was directed towards the council because they believe that Camden pressured them into signing unfavourable leases in order

to obtain their Strategic Partner funding. In some cases, a proportion of this annual funding was returned to the council as rent which causes yet more resentment.

“We were put in a position where we were forced to sign the lease. If we didn’t have the lease, we weren’t eligible to apply for core funding, which was crucial for us. We reluctantly signed a lease we were not happy with.”

- Camden VCS tenant

The Community Partners team and concerns about its ability to influence other areas of the council.

Organisations were generally positive towards the Community Partners team, making specific reference to their understanding of the challenges and pressures the sector faced. There was some concern about the consistency of the relationship and how often the team changes, meaning that relationships regularly have to be built from scratch. However, some were concerned about their ability to influence other areas of the council.

“The Community Partners team mean well, but they are not very well listened to in the Council.”

- Camden VCS tenant

“[The Community Partners team] completely get what the issues are, unfortunately, all these other teams don’t get it at all.”

- Camden VCS non-tenant

Lack of alignment and a misunderstanding of the value of the VCS within the Council causes problems. There is frustration at how distant some elements of the Council are.

Some organisations are frustrated that different departments within the Council intervene on different issues pertaining to the VCS, but that their goals are not always aligned. They further expressed that teams within the Council are hard – or impossible – to reach. Significant concerns were raised too about the distance that this creates, and that it leads to a lack of understanding of VCS, their context and the value they bring to Camden and its citizens.

“...it is very hard to get a lot of strategic alignment within the council. There are teams that support us directly in the council and understand this problem intimately, whereas the finance, property and valuation teams don’t understand it.”

- Camden VCS non-tenant

“We have a good relationship with [the Lead Community Partner], and the Community Partners team. Unfortunately, it is with property and those other teams; they don’t use the proper language. They need to understand that we are partners.”

- Camden VCS tenant

Conflicting views about how the Council has enabled the sector.

Many organisations acknowledge that the VCS in Camden is one of the strongest and most vibrant in the UK. Again, many of the organisations that participated are grateful to the Council and see them as a key enabler of the sector, especially in relation to other councils which have not been as supportive through this time of austerity. However, there was also frustration and anger about perceptions of the VCS within the council. Some suggested that perceptions can be negative, are often based on assumptions, and can lead to a misunderstanding of their services and role within the community.

“The support from the Council is invaluable for us. It allows us to build, grow, and sustain, and keep our site open.”

- Camden VCS non-tenant

“If VCS organisations depend on the Council they are unlikely to be entrepreneurial.”

- Camden VCS non-tenant

Negotiations with the Council can be difficult, and it can have an asymmetrical impact on smaller VCS organisations.

Some organisations are deeply frustrated at the time it takes to obtain support for their premises from the Council. Some pointed out that a lack of support is already affecting their operations and may affect their ability to sustain services in the longer term.

It was pointed out by a small number of organisations that many within the VCS lack knowledge and support to gain sufficient leverage in negotiations with the Council. This is particularly important for smaller organisations which have greater limitations on their capacity and resources; this in turn has an impact on the groups they serve, which tend to be among the more vulnerable in the borough.

“Now they are an obstacle, we spend a great amount of time trying to get support, permissions and authorisations.”

- Camden VCS tenant

Some organisations raised concerns about how smaller and larger VCS organisations are becoming polarised.

Some organisations have acknowledged that those that are unable to adapt will eventually close, especially smaller groups. Smaller organisations suggested that they are at a disadvantage in terms of time and resources required to obtain funding. One organisation specifically pointed out that they are worried that they will cease to exist.

In another case, a small organisations believed that it was being unfairly treated by its landlord, a strategic partner. They felt that the relationship was restricting their access to funding and becoming a barrier to their day-to-day operations.

“We are overshadowed by larger organisations, it restricts the services we can provide.”

- Camden VCS co-located in Camden owned building

Tensions within the sector.

There are clear tensions within the sector. Reasons for these vary greatly. Some are due to personality clashes or differences in approach, particularly between newer and more established organisations. Tensions also arose around the levels of rent, terms of leases, and the premises that organisations have, and how these advantage/disadvantage them in relation to one another.

“The sector can be self-preservationist, some see collaboration as a threat rather than an opportunity.”

- Camden VCS non-tenant

Transparency of Process

Opacity in different aspects of rents and leases is a concern across the sector. At a macro level, it is unclear why levels of rents and terms of leases have historically been set across the borough. Similarly, the Council's position regarding the levels of rent charged for section 106 buildings was a consistent cause for concern.

At a micro level, there was also a desire for greater transparency in individual leases, with specific reference to maintenance and service charges as well as responsibilities for repairs and health & safety checks.

There is frustration and suspicion at the lack of clarity around council processes and how this contradicts the 2025 vision.

Organisations expressed concern in the way decisions are made within the Council. The research team experienced a degree of anger, suspicion and consultation fatigue, and some organisations were deeply frustrated by the lack of clarity and the limited engagement that they have had with the council in general and, specifically, in relation to the rents and leases issue.

“We get the information from different people, but not necessarily from the local authority. They are saying codesign, coproduction, but they present us with a plan that they have been developing for the past year.”

- Camden VCS tenant

Clarity on service charges and add-ons in leases.

There was near universal demand for clarity on service charges and add-ons to leases. Some were concerned that existing leases did not detail the full range of charges, and would like these to be clearly listed and explained in any future lease.

“We have to pay business rent, repairs; some people have to pay some service charges, some don’t. There is a lot of discrepancy about the add-on costs of the lease, as well as the rent. There are a lot of hidden charges, people see the rent, but they don’t see the add-ons.”

- Camden VCS tenant

Clarify who is responsible for health & safety checks.

Some organisations expressed frustration that the council does not complete health & safety checks (such as legionella) as part of the lease agreement. Paying for these checks creates another demand on already tight finances.

“The council should support VCS in making sure buildings are safe. Carbon monoxide testing, legionella, windows, doors. It would mean that Camden residents would come to safe buildings, and it means that Camden money is invested in the right way.”

- Camden VCS tenant

Responsibility for repairs and maintenance.

Organisations were unhappy that repairing obligations are assigned to them and do not understand why they are paying to repair structural issues with council buildings.

“All repairing obligations are assigned to us, but it is an obligation of the local authority.”

- Camden VCS tenant

Clarity on how rents are calculated and why they are benchmarked.

A small number of organisations would like clarity around how and why rents are calculated, and specifically why they are benchmarked to commercial rents.

“Why is [rent] being benchmarked against an open commercial rent?”

- Camden VCS tenant

Clarity on peppercorn rent/section 106 buildings.

The issue of section 106 buildings and peppercorn rent was raised several times by many organisations. Concerns broadly surfaced in two ways. Firstly, there was a demand for clarity about how and why the council was seeking to charge rents on section 106 buildings. Secondly, there are tensions arising due to the inconsistency that peppercorn rents create across the sector, and the advantage that they give to those that are fortunate enough to benefit from them.

“A lot of them have a lot of peppercorn leases, but why? Why do they have preferential treatment.”

- Camden VCS tenant

“These buildings are built with section 106 money, which completely pays for the building. What the council seems to think is that it is their asset and then they charge the community the rent even though it has already been paid for by section 106 as a community asset.”

- Camden VCS tenant

Social value: collection and use

Social value was generally seen in a positive light. Many organisations enjoyed collecting and recording the data: it informs their service delivery; brings them closer to their community; and creates a sense of pride and satisfaction in their work. However, the process for collecting social value can be onerous, particularly in a challenging funding landscape where time is under significant pressure. There are also conflicting concerns about the most appropriate model for collecting social value, and how it should be used.

Social value data helps organisations better understand their impact, and develop new, or improve existing services.

Thanks to the range of funding applications and monitoring processes that organisations are regularly completing, they are adept at capturing both qualitative and quantitative data. Many organisations commented that they found the process enjoyable, and that it helped them to understand their communities' changing needs and create or adapt the services and offers in response.

“We are actually pretty good at capturing data ... I get good detail around that – numbers, metrics.”

- Camden VCS tenant

“The monitoring tells us the pattern of their lives. We make sure we are providing a vast array of stuff for people so they don't feel left out.”

- Camden VCS tenant

Use of social value data interchangeably for funding and monitoring.

Organisations expressed that they are already generating large amounts of social value data for application or monitoring purposes, and that increasingly, many funding bodies are happy to accept monitoring data from other funding bodies.

Capturing and monitoring social value can be an onerous task.

Organisations are asked to use many different monitoring processes. Whilst a worthwhile process, social value monitoring is also time consuming and can be resource intensive. A small number of organisations pointed out that softer outcomes are more difficult to obtain, as capturing the intangible requires more human effort.

“You need to be more evidence based in your funding bids than you used to be. Back in the day it was not given for meaningful purposes, now you can demonstrate value for money in advance.”

- Camden VCS tenant

Frustration amongst Strategic Partners that data collected for the council is not used.

Strategic Partners were frustrated that their monitoring data is currently ‘put in a drawer and forgotten about’. There was a general consensus that the council should make much better use of any data that is collected, as part of social value monitoring in the future. They would like to see this data used in a productive way that could help bring more resources and investment into the borough, and inform strategic decision making.

“We are giving them that data... Wouldn’t it be interesting to have the data collected by local authorities to be analysed and then shared back to us, and we can create our strategy for the future.”

- Camden VCS tenant

Some organisations are concerned about the models the Council might use to capture social value.

Some organisations were concerned the Council may not create a reporting process that works for everyone. This concern focused primarily on the criteria that would be used to measure social value. Some would prefer a 'social return on investment' model whilst others were concerned about the Council developing their own model. One organisation expressed that they want the development of a meaningful measuring system, not just another tick box exercise.

"I would be concerned if they want to develop their own measures. They should adopt a framework that is as robust as possible and isn't too narrow a focus."

- Camden VCS non-tenant

A small number of organisations were concerned about how the process would be implemented, and pointed to the high degree of complexity it might entail.

"The idea of social value sounds good, but delivering it sounds like a nightmare... Any measures have to be locally based, a mix of numbers, metrics and stories"

- Camden VCS tenant

Tension between commercial income and community benefit

Several organisations commented on the balance that they perceive between generating income through commercial activities and providing community benefit:

- Some expressed that the more space they rent in the short-term to generate income, the less space they have for community use.
- A small number of organisations will only use their spaces to serve the community and prefer not to rent their spaces for commercial use.
- Others are happy to generate income from room rental to commercial clients.
- One organisation commented on how their commercial income streams often benefit the community due to the types of clients that they attract who then go on to be more socially oriented or actively build stronger communities (ie sports clubs).
- One organisation is willing to rent spaces at commercial rate to cover their costs, but only rent spaces to organisations or businesses that will give back services to the community for free.

Some organisations are at a disadvantage when it comes to generating income in this fashion, as their locations, buildings and/or facilities limit their audience and therefore the income they can generate.

“Every time we let out for community use, we stop renting for commercial use and vice-versa. We are in a grey area between commercial and community activity. Today there is a meeting for several hours which is about domestic violence. That is not one of our prime community targets, but we regard it as a commercial booking.”

- Camden VCS tenant

Consistent approach

Some organisations believe that existing inequalities in the borough are not reflected in current leases. They stressed that any future lease would need to acknowledge the contextual pressures that exist in the needs of the communities they serve, their locations, and their building's size, condition and its accessibility. There was also concern about the vulnerability of smaller organisations and the impact that changes, or inaction, will have on the communities that they serve.

Inequalities across the borough in terms of quality of spaces and access to resources.

Many organisations stated repeatedly that they do not operate under the same conditions. They acknowledge the complexity and diversity of needs that exist across the borough, and how these create different demands on their services. Specific reference was made to the location and connectivity of their buildings, and how these create very different opportunities and pressures. For example, a building in the south of Camden is much more likely to be able to generate income from commercial clients than those more residential, often more deprived, areas in the north of the borough. Reference was also made to the condition, capacity and size of their buildings which all play a factor in the kinds of services they can run and the types of income they can generate.

“Some areas have fewer community assets; it is an unequal borough.”

- Camden VCS tenant

“A one-size-fits-all model does not work for each of the areas.”

- Camden VCS tenant

Some organisations stressed the need for the Council to work towards a ‘level playing field’

There is a desire amongst many organisations to operate in fair and consistent conditions across the sector. Inconsistencies in rents, leases, and the location, condition and size of their buildings, seems to cause tensions as organisations compare their situation against others. There is a call from a number of organisations for the council to make greater consideration of these inconsistencies when making decisions in the future.

“Rent is not a level playing field.”

- Camden VCS tenant

“[within the current situation] there is a massive inconsistency.”

- Camden VCS tenant

Vulnerability of some smaller organisations that deliver important services to key minority groups.

Several organisations pointed out the precariousness of smaller organisations in the current climate which are often working with more limited funds and staff capacity. One smaller organisation expressed that they are struggling to meet financial obligations while demand for their services is increasing, which creates barriers to them from operating effectively. It was indicated that these organisations risk incurring systemic effects of changes to rents and leases, as they sometimes rent spaces (on both a permanent and temporary basis) from larger VCS organisations. This in turn could have a significant impact on the minority groups that these organisations often serve.

“You are going to lose those smaller groups, that represent minorities in the borough.”

- Camden VCS tenant

6. Principles

Based on the research findings, a number of principles have been identified to assist the council in the development of the future framework, and to insure its transparency, clarity and consistency.

These principles have been refined from the common wants and needs found in the research. They describe the most important elements of a future solution, giving integrity and consistency to whatever is being designed or delivered. They can be used as a benchmark check for new models and services, to confirm that they correspond to the needs of your users.

Consider the historical context

Historical issues have damaged the relationship between the VCS and the council, eroding trust and creating cynicism. The Council needs to consider the historical and contextual factors highlighted within the research when developing the framework.

The framework should be flexible

The framework needs to respond to the unique context of all organisations across the borough, no matter what community they serve or which location they are based in.

Prototype and pilot any framework before its implementation. Once implemented, continue to develop it. Consider how the framework will evolve, how it can be iterated and improved to meet the changing context and needs of Camden, its communities, and its citizens.

The framework should be simple

The VCS sector is both time poor and often working on limited resources. Adding more bureaucracy and administration will only serve to further distance VCS staff from the communities they serve. Any framework, especially one that captures social value, must be simple to implement, maintain and monitor.

Development should be transparent and open

Deliver on the vision outlined in Camden 2025. Within reason, the creation of the framework should be open to participation from the VCS at the earliest stages. The process should be transparent with clarity on how the development will proceed and how decisions will be made. Clear, regular communications with all parties should be made throughout development.

Consider the downstream consequences

Be cautious that any framework does not create conditions which could have negative impacts on the organisations, groups and communities which are dependent on the spaces and facilities within and around the council's buildings.

The framework should be consistent

Whilst recognising that there are significant inequalities in the borough, the framework should avoid advantaging or disadvantaging one organisation over another.

The framework should be supported

Consider what training and support might be needed for new and existing tenants to transition on to any framework. If levels of rent change during a lease (for example if levels of discount are linked to social value performance), it will also be important to consider how tenants are transitioned on to different levels of rent, providing them with adequate opportunity to adapt.

Data should be useful and used

Any data captured should serve a purpose. Consideration should be made as to what sort of data will be useful to the council, to the VCS, to citizens, and a broad range of stakeholders. Good quality data is of little value if it is not useable. Processes and practices should be developed to make data accessible, tangible and clear so that it can be used for all parties to improve and make better decisions.

7. Recommendations

Building on the research findings, the following recommendations have been created for consideration during the development of the framework and future decision making.

1

Can the council create clear communications on section 106/peppercorn rents? What is the reasoning behind charging rents on 106/peppercorn?

2

In future leases, how might the council be clear on what is included in the lease and **avoid any hidden charges**?

3

How might the council be consistent and clear on **what is included in service and maintenance charges, and who is responsible for repairs**? What **shared infrastructure** might make maintenance and service charges cheaper and easier to administer.

4

The lease represents a linchpin in the relationship between the VCS organisation and the Council. How might Camden Council use this opportunity to co-create a new 'contract' that will make responsibilities and expectations clear between both parties, and agree how they will work together in the future.

5

Could the Council help to further leverage the knowledge and expertise of all VCS organisations to **share within the sector**, creating greater opportunity for collaboration and skills development?

6

Could the Council act as a **'strategic convener'**, creating opportunities for the VCS to link to new networks, and existing and alternative means of funding. This could build VCS organisations' capabilities, open up new opportunities, and in turn help them to become more self-sustaining?

7

The council could create a standard that allows VCS organisations to report with the **social value data which they are already generating** for other funding streams. Leveraging this existing data could also demonstrate how their buildings provide social value.

8

The council should ensure it makes use of the data it captures from the VCS. It should also consider what data it wants to capture with consideration as to how they should use it, specifically how it could travel. What might enable that data to travel vertically through the council's hierarchy, and horizontally across different departments and other organisations?