

Social Value Policy: Community Centres

November 2019

1. Summary

1.1 Recognising the Social Value delivered by organisations leasing council assets is key to engendering a vibrant and thriving Voluntary and Community Sector in Newham and it contributes to the Community Wealth Building priority of the council.

1.2 The definition of Social Value for Newham is closely aligned to the corporate plan to ensure that recognition is given to those organisations and activities that are delivering the Council's priorities.

1.3 Measurement of Social Value will be simple and transparent and organisations will be able to clearly understand what they need to deliver in Newham to achieve a high score.

1.4 A social value subsidy will be given to organisations based on the score that they achieve. It will be given to organisations as a rental discount.

1.5 The social value of community groups and organisations hiring space on an hourly basis (either regularly or ad hoc) will be recognised through 'community' and 'start-up' rates.

1.6 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.

2. Defining Social Value in Community Centres

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 – looking beyond headline cost to consider the wider beneficial impacts.

2.2 The same principle can be applied to community spaces. A council-owned building or space has a market value or rent, but this is not linked to the potential social value that is delivered through that space.

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 has an existing broad framework determining social value in procurement, with 26 criteria predominantly focused on economic markers. However, a different set of criteria is required in measuring social value in community centres, to articulate what we want and expect from those centres.

2.4 In line with our wider Community Wealth Building Strategy, as well as the ambitions set out in the council's corporate plan, we can define facilities as delivering 'social value' where they are:

- Well maintained
- Open when people want to use them, welcoming to everyone, and well-used by the local community

Social Value Policy: Community Centres

November 2019

- Offer quality employment / volunteering opportunities including paying a London Living Wage
- Promote responsible attitudes to the environment, climate change & air quality
- Deliver community activities, in particular:
 - Activities for children and young people
 - Activities and social events for vulnerable adults and the elderly
 - Activities / Opportunities to combat social isolation
 - Activities / Interventions targeted at improving health and mental health
 - Activities encouraging social integration, that are specifically targeted at bringing people of different backgrounds together and/or supporting migrants and refugees

2.5 These five strands align with corporate priorities and will define how Social Value is measured. They are also broadly aligned with the themes from the National TOMs 2019 framework for measuring social value.

3. Measuring Social Value in Community Centres

3.1 Voluntary and Community organisations are very different from each other: in size; capacity; vision; reach; and target audience. They also do not all generate the same level of social value. To enable recognition of social value, it is necessary to be able to measure social value.

3.2 It is essential that any measurement of social value is objective, transparent and simple to assess. 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 any additional unnecessary bureaucratic procedures.

3.3 Following engagement with the Voluntary and Community Sector in Newham, a social value matrix for Community Centres has been devised that looks at each of the five 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
Well maintained buildings	10
Access (Opening hours & Inclusion)	10
Employment & Skills	20
Social and community	50
Environment & Air Quality	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 100 would represent a vibrant organisation that is delivering substantial social value to residents. Not only would the organisation be delivering a wide range of activity from a building that

Social Value Policy: Community Centres

November 2019

was open and accessible for the majority of the week but it would be fully maintaining the building that it leased, would be paying employees the London Living wage, offering volunteering opportunities and would have environmental policies and procedures in place.

3.6 An organisation would be expected to achieve a minimum score of 25 to be considered to be delivering a level of 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 throughout their development.

3.8 The flexibility of the matrix, along with an annual review, ensures that the Council is able to monitor the level of social value delivered by organisations and reduce subsidies where organisations are delivering less social value than they previously had.

4. Recognising Social Value in Community Centres

4.1 Social value provided by Community and Voluntary organisations who lease Council buildings will be recognised through a social value subsidy. The subsidy will take the form of a rental discount against a market rent determined by Property Services.

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 rental discount of 80% (the maximum discount to be given). The minimum score of 25 would provide a 20% discount. Scores below 25 would not qualify for a discount.

4.3 Due diligence will be carried out to ensure that an organisation entering into a lease and receiving a social value subsidy are a 'fit and proper' organisations. 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 a 'fit and proper' organisation, then proof of that status would be sufficient.

4.4 The first year of discount would be based on the business plan of the organisation. This would be assessed against the social value matrix to provide the level of discount that would be applicable. The year two discount would be determined at month 9 through an assessment of the previous 9 months delivery against the matrix. In subsequent years the discount 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 discount 3 months in advance.

4.5 Discounts 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 £12,000 and a 50% subsidy was given for social value, the amount due that year would be £6000. The monthly invoice of £1000 would show a £500 discount and the organisation would be invoiced for the remaining £500. If in the following year, the level of social value increased and an agreed subsidy of 75% was given, the monthly invoice of £1000 would show a £750 discount and the organisation would be invoiced for the remaining £250.

Social Value Policy: Community Centres

November 2019

4.6 Discounts would be reduced (by 2% per week) for overdue rental payments. Subsequent invoices would take account of the reduced discount. There would be a removal of the subsidy for an individual year if payments were more than 6 months in arrears.

5. Room hire in council run Community Centres

5.1 The social value of groups and organisations, who rent hourly space (either regularly or on an ad hoc basis) in a Council run community centre, is recognised through a tiered approach to pricing. Where a centre is unstaffed, key holder rates are also available for approved regular users.

5.2 There are 3 categories of pricing, all of which are based on the occupancy capacity of individual rooms.

- Private or Commercial
- Community
- Start-up

Private or commercial rates are at a competitive price but generate surplus revenue to subsidise community and start-up rates.

5.3 Community rates recognise the social value that local groups and organisations bring to our residents. Outside of core community centre hours the price is adjusted to ensure staffing costs are met.

5.4 The start-up rate supports community wealth building by allowing new groups and organisations (or existing groups and organisations to try new initiatives) for a minimal hourly rent. Outside of core community centre hours the price is adjusted to ensure staffing costs are met.

5.5 Key-holding discounts only apply to the first two tiers: Commercial and Community. The start-up rate is for new organisations that need support and development and they would not be considered appropriate for key-holding responsibilities.

5.6 Occupancy is divided into bandings to ensure that rooms of a similar capacity are consistently priced across the borough.

5.7 A discount is applied to bookings for organisations who meet on a regular basis.

Social Value Policy: Community Centres

November 2019

Qualification Criteria

- Voluntary & community organisations would need to be registered in Newham or have Newham listed as an area of operation to qualify for a social value subsidy.
- The Council reserves the right to cap the level of subsidy available if, by providing the subsidy, the costs of running the community centre outweigh any potential income, thereby putting the Council into a negative financial situation.
- Commercial organisations are not eligible for a social value subsidy. 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.
- Paid membership organisations would not be eligible for a social value subsidy.
- 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 'fit and proper' organisations.
- Organisations that are based in a Housing Revenue Account (HRA) community centre may only be able to receive a subsidy for work with tenants and leaseholders. In such instances, a further calculation would be made based on the percentage of centre users that are tenants or leaseholders.
- Social value subsidies would only be available to charities of a certain size (using the NCVO classification) dependent on the type of building that the subsidy was being sought for. In relation to community centres, subsidies would only be considered for charities that are considered as micro, small or medium, therefore generating no more than £1million income.

Income	Income bands name
Less than £10,000	Micro
£10,000 to £100,000	Small
£100,000 to £1m	Medium
£1m to £10m	Large
More than £10m	Major
More than £100m	Super-major

Source: NCVO/TSRC

Appeals Process

In the first instance appeals against a social value scoring should be raised with the Resident Engagement and Participation Service Development Team

community.neighbourhoods@newham.gov.uk

Social Value Policy: Community Centres

November 2019

If after a review of the scoring an organisation still does not agree with the social value scoring, the matter can be raised to the Assistant Director of Engagement and Participation.

If the matter is still not resolved then it can be raised through the Council's complaint procedure.