



## **EXECUTIVE**

MINUTES of the OPEN section of the meeting of the EXECUTIVE held on TUESDAY 25<sup>th</sup> February 2003, at 7.00pm at the Town Hall, Peckham Road, London SE5 8UB

---

**PRESENT:** Councillor Nick Stanton, Leader (In the Chair)  
Councillor Caroline Pidgeon, Deputy Leader  
Councillor Beverley Bassom, Housing  
Councillor Catherine Bowman, Regeneration and Economic Development  
Councillor James Gurling, Service Delivery  
Councillor Catriona Moore, Health and Social Care  
Councillor Richard Porter, Community Support and Safety  
Councillor Bob Skelly, Education, Youth and Leisure  
Councillor Richard Thomas, Environment and Transport  
Councillor Lorraine Zuleta, Finance

## **APOLOGIES FOR ABSENCE**

There were none.

## **NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS AS URGENT**

The Chair agreed to accept the following late items as urgent, the reasons for urgency to be specified in the relevant Minute:

- Item 225 – District Audit Annual Letter
- Item 226 – Parks and Open Spaces Best Value – Review of the Ranger Services
- Item 227 – Motion Submitted in Accordance with Council Procedure Rule 3.9 – Bus Routes
- Item 228 - Motion Submitted in Accordance with Council Procedure Rule 3.9 – Electoral Arrangements
- Item 229 – Award of the Negotiated Revenues and Benefits Contract
- Item 230 – Introduction of Congestion Charging
- Item 534 – Award of the Negotiated Revenues and Benefits Contract (closed report)

## **DISCLOSURE OF INTERESTS AND DISPENSATIONS**

At 8.20p.m. Councillor Catherine Bowman declared a personal non-prejudicial interest in item 215, South London Gallery Trust Stabilisation – Decisions for Trustees and item 216 South London Gallery Trust Stabilisation – Decisions for Council.

At 8.45p.m. Councillor James Gurling declared a personal non-prejudicial interest in item 218 Proposed Disposal Strategy for Empire Warehouse, Bear Gardens.

## **PUBLIC QUESTION TIME**

The Chair allowed a public question to be asked during the consideration of the Parks and Open Spaces Best Value – Review of Ranger Services report elsewhere on the agenda. Please see relevant Minute for detail.

## **MINUTES**

**RESOLVED:** That the Minutes of the meeting held on the 11<sup>th</sup> February 2003 be agreed as a correct record and signed by the Chair.

The Executive considered the items set out on the open agenda, a copy of which has been incorporated in the Minute File. Each of the following paragraphs relates to the item bearing the same number on the agenda.

### 215 **SOUTH LONDON GALLERY TRUST STABILISATION – DECISIONS FOR TRUSTEES** (see pages 5013 to 5021 and pages 5034 to 5086)

**RESOLVED:** That the Executive acting as Trustee:

1. Notes that in receiving this report and agreeing the following recommendations it is Acting as Trustee of the South London Gallery Trust, a distinct entity which is separate from the Council,
2. Notes that when acting as Trustee the Executive (on behalf of the Council) owes duty to the Trust and to its beneficiaries which is separate and distinct from the general duty owed by the Council to the inhabitants of the borough.
3. Notes that a report elsewhere on the agenda asks the Executive to take decisions on behalf of the Council from a corporate perspective.
4. Notes that the South London Gallery Steering Group was established to provide independent advice on what is in the Trust's best interests, and the Steering Group has taken legal and financial advice independent of the Council in coming to its recommendations.
5. Notes the previous decisions made by Ratification Committee on Tuesday 9 April 2002 to proceed with the Strategy for Change (set out in Appendix 1 of the report).

6. Accepts the advice of the South London Gallery Steering Group, contained at Appendix 2 of the report, and accordingly notes:
- (a) that the freehold gallery building and land are permanent assets of the gallery and will transfer to the newly-constituted trustee company.
  - (b) the progress which has been made on the interim building works to bring about immediate improvements to access and provide improved education facilities at SLG, as set out at paragraph 2.20 of the Steering Group's report.
  - (c) Notes the advice of the steering group that in the long term the best prospect of expansion of the gallery to improve access and services to visitors is for the South London Gallery Trust to receive from the council the building at 67 Peckham Road, which was acquired by the Council for the purpose of the Gallery.
  - (d) Agrees in principle that it would be in the interests of the South London Gallery Trust to accept 67 Peckham Road from the Council
  - (e) Notes that that the Endowment Fund is the property of the Trust and will need to transfer to the new Trustees.
  - (f) Notes that an application has been made on behalf of the trust for mandatory 80% rate relief, and that a further application has been made for 20% discretionary rate relief.
  - (g) Notes the information about the collection set out in Appendix 5 of the report, and agrees that ownership of individual works should be left for negotiation between the new trustee, once established, and the Council, because of the conflict of interest.
  - (h) Notes that the part of the collection beneficially owned by the Trust is part of the Trust's permanent endowment.
  - (i) Agrees in principle, that that part of the collection owned by the gallery should be loaned to the Council and that it is in the best interests of the Trust for which the collection is held for the entire collection to be kept together.
  - (j) Agrees in principle (subject to confirmation by the new trustee body) that the terms of the proposed Service Level Agreement between the Trust and the Council (set out at Appendix 4 of the report) are acceptable from the perspective of the trust.

- (k) Agrees to accept the advice of the Steering Group that the transfer of staff to the new trustee company should continue to proceed on the basis that TUPE applies to the transfer.
  - (l) Agrees that an application be made on behalf of the trust for admitted body status to the Southwark Pension Scheme for the South London Gallery Staff being transferred from the Council to the Trust.
7. Agrees that, subject to the Charity Commission responding in time, a further report will come to the Executive as Trustee in March 2003, to formally agree to transfer trusteeship of the South London Gallery Trust to a new trustee body.

216 **SOUTH LONDON GALLERY TRUST STABILISATION – DECISIONS FOR COUNCIL** (see pages 5022 to 5086)

- RESOLVED:**
1. That it be noted that the Council has 2 separate roles in relation to the operation of the South London Gallery (SLG) as follows:
    - a) normally when the Council is considering matters concerning the administration of the charity and making decisions on behalf of the charity the Council is acting as a trustee and not in any other capacity. Under Charity law the Trustees must act in the best interests of the trust and avoid potential conflicts of interest with their role as Councillors. Wherever necessary independent advice should be sought.
    - b) in its corporate role as a local authority providing support for SLG under a range of statutory powers and duties in relation to libraries, museums and the arts. These include the Public Libraries and Museums Act 1964 and the power under section 2 of the Local Government Act 2000 to do anything which it considers likely to achieve the promotion or improvement of the economic, social or environmental well-being of the area. The power of well-being must be exercised having regard to advice issued by the Secretary of State and the provisions of the Council's community strategy. This report concerns decisions that the Council needs to make in its corporate capacity as a local authority.
  2. That the decisions of the Ratification Committee taken on 9 April 2002 set out in Appendix 1 of the report be noted and endorsed.

3. That the advice of the SLG Steering Group to the Council as Corporate Trustee (Appendix 2 of the report) and the decisions made in response to these (see previous item 215) be noted i.e. that:
- The freehold gallery building and land are permanent assets of the Charity, and that the new trustee will need to amend the land registry entry when the trusteeship is transferred to a new company.
  - The Trust notes the progress made on the interim building works to bring about immediate improvements to access and provide improved education facilities.
  - The Trust agrees that it would be in the best interest of the Trust to receive No 67 Peckham Rd from the Council.
  - The trust notes that the endowment fund is the property of the Trust and will need to transfer to the new Trustee.
  - The trust notes that an application has been made on behalf of the trust for mandatory 80% rate relief and a further application for 20% discretionary rate relief.
  - The trust agrees that ownership of individual works in the SLG collection should be left for negotiation between the new trustee, once established, and the Council because of the conflict of interest.
  - The trust notes that the part of the collection beneficially owned by the Trust is part of the Trust's permanent endowment.
  - The trust agrees in principle that the part of the collection owned by the Gallery should be loaned to the Council and that it is in the best interests of the trust for which the collection is held for the entire collection to be kept together.
  - The trust agrees in principle (subject to confirmation by the new Trustee body) that the terms of the proposed Service Level Agreement are acceptable from the perspective of the Trust.
  - The trust agrees to accept the advice of the Steering group that the transfer of staff to the new trustee company should continue to proceed on the basis that TUPE applies to the transfer.
  - The trust agrees that an application be made on behalf of the Trust for admitted body status to the Southwark pension Scheme for SLG staff being transferred from Southwark Council.

4. That the draft Service Level Agreement (set out in Appendix 4 of the report) be agreed and officers be authorised to sign the agreement to take effect from 1 April 2003.
5. That the position with regard to the ownership of the property occupied by South London Gallery be noted and the Executive also notes that the new trustee will need to seek changes to the Land Registry entries once the new Company takes over as Trustee.
6. That in principle, No 67 Peckham Road be transferred on terms which secure the redevelopment of the property for use in connection with the gallery within a 5 year time-scale, and officers be authorised to develop an appropriate legal mechanism to support this transfer.
7. That the position on the transfer of Staff and the Council's intention to transfer the existing permanent staff employed at the SLG to the Trust under TUPE be noted.
8. The Executive notes the advice on the SLG Collection and agrees to accept the Collection subject to ongoing negotiations on the terms of the draft loan agreement (Appendix 6 of the report) and the final agreement of the Trust. The Executive authorises Officers to conclude these negotiations once the independent company has been established and in the interim the Council retains management of the Collection.
9. That the advice on the transfer of the SLG Endowment Fund be noted.
10. That it be noted that the trust will be applying for the discretionary 20% relief from NNDR as a charity in addition to the mandatory 80% relief for charities.

217 **COMMUNITY STRATEGY FOR SOUTHWARK 2003-6** (see pages 5087 to 5116)

- RESOLVED:**
1. That the Community Strategy be agreed as a working document to take forward during 2003/4.
  2. That the Strategy be reviewed during 2003/4 and progress be reported back via the Local Strategic Partnership.

Note: This item will be referred to the next meeting of Council Assembly for consideration in accordance with the budget and policy framework procedure rule 2 (c).

218 **PROPOSED DISPOSAL STRATEGY FOR EMPIRE WAREHOUSE, BEAR GARDENS, WITH THE DEVELOPMENT OF AN EDUCATIONAL FACILITY IN PARTNERSHIP WITH THE SHAKESPEAR GLOBE TRUST**  
(see pages 5117 to 5131 and page 5296)

- RESOLVED:**
1. The Executive agrees to:
    - give support to a proposal from Globe Education to develop its education centre in bespoke accommodation at the site of the Council-owned Empire Warehouse in Bear Gardens;
    - note the options for disposal of the site to the Globe (detailed in paragraphs 3 and 70 of the report), rules out option (v) and acknowledges that there is a clear financial advantage to the council in pursuing option (iv);
    - a long-stop date of March 2004 for Executive approval of preferred funding option, future program for necessary agreements/contracts and statutory consents between the Council and the Trust. If these details cannot be agreed with the Trust, proposals for this site would be re-appraised.
  2. That it be noted that any other plans for the site effectively will be held in abeyance holding until proposals exploring the financial and other pertinent issues can be fully developed and agreed. The Trust will then commit to working with Council officers to develop these options to deliver a sustainable resource for the future use of the schools and people of Southwark and elsewhere.

219 **LMS FORMULA AND SCHEME FOR FINANCING SCHOOLS 2003/4**  
(see pages 5132 to 5163)

- RESOLVED:** That the proposed amendments to the Council's scheme for financing schools as directed by the Secretary of State for Education and Skills and as agreed by the Schools' Forum be approved.

220 **YOUTH SERVICE PLAN: 2003/4** (see pages 5164 to 5207)

- RESOLVED:** That the Youth Service Plan for 2003/04 as set out in Appendix 1 of the report be approved.

221 **CONNEXIONS SERVICE PLAN 2003/4** (see pages 5208 to 5233)

- RESOLVED:** That the Connexions Service Plan for 2003/04 as set out in Appendix 1 of the report be noted.

222 **CANADA WATER – PERMISSION TO SEEK CPO POWERS**  
(see pages 5234 to 5238)

**RESOLVED:** The Executive agrees in principle to the use of compulsory purchase powers, under section 226(1)(a) of the Town and Country Planning Act 1990 and any other appropriate powers, in respect of all outstanding interests suitable and required for the purposes of facilitating the implementation of a development scheme reflecting the masterplan subject to receiving a full indemnity from the selected development partner.

223 **19-23 STERNHALL LANE SE15 – DISPOSAL** (see pages 5239 to 5243)

**RESOLVED:**

1. That the Council takes a surrender of the existing lease from the tenant and simultaneously grants a new 125 year lease on revised terms (for an agreed sum, set out in the closed report) to enable a residential redevelopment, subject to planning and the consent of the Office of the Deputy Prime Minister (OPDM).
2. That the Development & Regeneration Manager be authorised to agree the terms of the lease apart from the consideration.

224 **SCRUTINY RECOMMENDATIONS IN RESPECT OF RE-NEGOTIATION OF COUNCIL TAX AND HOUSING BENEFIT CONTRACT** (see pages 5244 to 5246)

**RESOLVED:** That the recommendations made by the Finance & General Purposes Scrutiny Sub-Committee in respect of the re-negotiation of the Council Tax and Housing Benefit Contract as set out in Appendix A of the report be noted and addressed in the consideration of the Award of the negotiated Revenues and Benefits Contract report elsewhere on the agenda (item 229 of the agenda).

225 **DISTRICT AUDIT ANNUAL LETTER** (see pages 5247 to 5271)

The Chair agreed to accept this late item as urgent as there was a requirement to consider the report at the first available meeting of the Executive after receipt by the Council.

**RESOLVED:**

1. That the report be noted and Overview and Scrutiny Committee be asked for their comments and views on its contents and in particular on the following suggestions by the Executive:-
  - a. That the responses in relation to the key findings - 'Standards of Financial Conduct and the Prevention of Fraud and Corruption' and 'Grant Claims' be revised to make clear that there needs to be a greater corporate concentration on these issues so that the longstanding concerns of the District Auditor on these matters are finally allayed.



- b. That the inaccuracies in the Annual Letter relating to the Aylesbury and Tabard Estates be noted with concern and that officers note the need to correct this issue in the final response.
- c. That officers explore the possibilities of improving capability and competencies.

226 **PARKS AND OPEN SPACES BEST VALUE – REVIEW OF THE RANGER SERVICES** (see pages 5272 to 5281)

The Chair agreed to accept this late item as urgent as four weeks notice was required prior to the commencement of the new arrangements on 1 April 2003 to allow the contractors to mobilise their staff and equipment. The next scheduled meeting of the Executive was 11<sup>th</sup> March 2003.

Public Question

The following question was asked by Mr Tim Stevenson, representing Friends of Nunhead Cemetery.

“Heritage Lottery Fund Money was granted to the Council under the provision that staff would be permanently based at Nunhead Cemetery. If this provision is removed, has someone looked into the effect this would have on the lottery funding.”

The Leader of the Council referred the question to the Parks Services Manager, Nick Burton.

Nick Burton advised the meeting that it was a condition of the Heritage Lottery funding that 3 staff are based at Nunhead Cemetery; there were in fact four. Nunhead Cemetery was being used as a pilot area for the proposed approach and did not expect that there would be any change in staffing levels there.

- RESOLVED:**
- 1. That officers prepare a contract specification and undertake a public sector price comparison for a combined grounds maintenance and ranger service and prepare a further report on the results of this exercise.
  - 2. That a variation of the existing NE Parks and Education, South Parks and Education, and Dog Waste Bins contracts to facilitate their extension to 31/3/04 be approved.
  - 3. That the NW Parks and Education Contract (with Green Team) be terminated early and a variation of the other existing parks contracts in accordance with the requirements of Contract Standing Order 28 be approved so that they may accommodate the sites which comprise the NW Contract, and enable the simultaneous transfer of 29 parks non-core sites to the Integrated Cleansing Contract to proceed.

227 **MOTION SUBMITTED IN ACCORDANCE WITH COUNCIL PROCEDURE RULE 3.9 – BUS ROUTES** (see pages 5282 to 5285)

Consideration of this item was deferred pending attendance of Transport for London officer who would be invited to attend an Executive meeting in the near future.

228 **MOTION SUBMITTED IN ACCORDANCE WITH COUNCIL PROCEDURE RULE 3.9 – ELECTORAL ARRANGEMENTS** (see pages 5286 to 5288)

Consideration of this item was deferred pending information from the Borough Solicitor & Secretary on the outcome of Cllr Hemmings' application for judicial review.

229 **AWARD OF THE NEGOTIATED REVENUES AND BENEFITS CONTRACT**  
(see pages 5289 to 5295)

The Chair agreed to accept this late item as urgent as approval was needed to enable the contract signing to be finalised by the end of February 2003, to facilitate the April start.

- RESOLVED:**
1. That the recommendations from Scrutiny on service development be noted and the investment proposal from Liberata be reviewed in February 2004.
  2. That the negotiated Contract for Revenues and Benefits be awarded to Liberata from the 1<sup>st</sup> April 2003, on a 2 year rolling basis, with an annual review, the first of which will take place on the 1<sup>st</sup> April 2004 by which time the Executive expects that Liberata will have moved to 'open book' accounting.
  3. The Executive notes that it has received advice from officers that it is a condition of the contract that a detailed 'exit strategy' will be in place prior to the commencement of the contract.
  4. That a report be brought to the Executive at the earliest opportunity on the implications of the introduction of the Customer Access Strategy on the Revenue and Benefits Contract.

230 **INTRODUCTION OF CONGESTION CHARGING** (see pages 5297 to 5299)

The Chair agreed to accept this late item as urgent in order that the Executive could receive an early view of on the impact of the Mayors Congestion Charging Scheme which had been introduced on 17<sup>th</sup> February 2003.

**RESOLVED:** That the report be noted.

**EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED:** That the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 7 and 9 of the Access to Information Procedure Rules of the Constitution.

The following is a summary of the decision taken in the closed section of the meeting.

531 **PROPOSED DISPOSAL STRATEGY FOR EMPIRE WAREHOUSE, BEAR GARDENS, WITH THE DEVELOPMENT OF AN EDUCATIONAL FACILITY IN PARTNERSHIP WITH THE SHAKESPEAR GLOBE TRUST**

The Executive noted the market value of the property known as Bear Gardens.

532 **19-23 STERNHALL LANE, SE15 - DISPOSAL**

See item 223 for decision

533 **AWARD OF CONTRACT FOR SECURITY SERVICES FOR VARIOUS COUNCIL PREMISES**

The Executive gave approval to the award of the contract for security services to ISC Guarding Ltd for an agreed sum for a period of two years, with an intended commencement date of 1<sup>st</sup> April 2003

534 **AWARD OF THE NEGOTIATED REVENUES AND BENEFITS CONTRACT**

See item 229 for decision.

The meeting ended at 10.20p.m.

**CHAIR:**

**DATED:**

**DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 18 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, TUESDAY 4<sup>TH</sup> MARCH 2003.**

**THE ABOVE DECISIONS (WITH THE EXCEPTION OF ITEM 217) WILL NOT BE IMPLEMENTABLE UNTIL AFTER THAT DATE. SHOULD A DECISION OF THE EXECUTIVE BE CALLED-IN FOR SCRUTINY, THEN THE RELEVANT DECISION WILL BE HELD IN ABEYANCE PENDING THE OUTCOME OF SCRUTINY CONSIDERATION.**

**IN RESPECT OF ITEM 217, THE APPROVAL OF THE COMMUNITY STRATEGY FOR 2003/6 WILL BE REFERRED TO THE NEXT MEETING OF COUNCIL ASSEMBLY FOR CONSIDERATION (26<sup>TH</sup> MARCH 2003) IN ACCORDANCE WITH THE BUDGET AND POLICY FRAMEWORK PROCEDURE RULE 2(C).**

