



REGENERATION & RESOURCES SCRUTINY SUB-COMMITTEE

MINUTES of the OPEN section of the meeting of the REGENERATION & RESOURCES SCRUTINY SUB-COMMITTEE held on 18 JULY 2006 at 7.00PM at the Town Hall, Peckham Road, London SE5 8UB

PRESENT: Councillor Lewis ROBINSON [Chair]
Councillors Mary FOULKES, Susan JONES, Richard LIVINGSTONE,
Tim MCNALLY [reserve], Paul NOBLET and Jane SALMON.

OFFICER Paul Evans – Director of Regeneration
SUPPORT: Stephen Gaskell - Head of Corporate Planning and Performance
Gafar Gbadamosi – Senior Lawyer
Lucas Lundgren – Scrutiny Project Manager, Scrutiny Team
Ian Millichap – Constitutional Team Manager
Duncan Whitfield – Finance Director

APOLOGIES FOR ABSENCE

Apologies for absence were received from Vice-Chair Councillor Helen Jardine-Brown.

CONFIRMATION OF VOTING MEMBERS

The members listed as being present were confirmed as the voting members.

NOTIFICATION OF ANY OTHER ITEMS WHICH THE CHAIR DEEMS AS URGENT

There were none.

DISCLOSURE OF INTERESTS AND DISPENSATIONS

There were no disclosures made. Councillor Noblet declared himself to be Vice-Chair of Canada Water Forum, with a potential personal [non-prejudicial] interest in scrutiny of Canada Water regeneration.

RECORDING OF MEMBERS' VOTES

Council Procedure Rule 1.17(5) allows a Member to record her/his vote in respect of any motions and amendments. Such requests are detailed in the following Minutes. Should a Member's vote be recorded in respect to an amendment, a copy of the amendment may be found in the Minute File and is available for public inspection.

The Sub-Committee considered the items set out on the 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.

1. **THE CORPORATE PERFORMANCE CYCLE AND PERFORMANCE REPORTS** [see pages 1-43]
 - 1.1 Staphen Gaskell [Head of Corporate Planning and Performance] gave a presentation outlining the content, role and function of the council's quarterly performance reports in relation to other high level strategies, and touched upon links with the sub-committee's work. A copy of this presentation has been placed on the Minute File.
 - 1.2 He explained that the quarterly performance reports contributed only one element of the overall performance picture. Other contributory elements were the engagement of local people in delivery of services and the opinions of local people about services delivered in their borough. Quarterly reports provide a useful snapshot of performance and as such are both a trigger for management action in response to performance shortfall in business-critical indicators and an opportunity to identify and celebrate good performance. They are a useful data source for external agents including health partners and Police.
 - 1.3 Elements contributing to the Corporate Plan include Best Value Performance Indicators, local performance indicators and statutory processes. Southwark's Chief Officer Team is currently looking to review the Council's key indicators to ensure their relevance. The Leader of the Council has portfolio responsibility for performance reports.
 - 1.4 The performance indicators for corporate health on agenda p.30 represent the Council's 3-year statutory targets [which are agreed annually in June] and are reflected and feed into the Annual Audit and Assessment Letter and must be signed off annually.
 - 1.5 Stephen Gaskell noted that there had been gradually increased scrutiny of the Corporate Plan, with reports to members now more timely and focused on key delivery targets for improvement. He acknowledged however that work was still needed on consultation and community engagement and on the plan's user-friendliness.
 - 1.6 Cllr McNally asked at what point scrutiny might feed into the framing of Public Service Agreement targets and development of useful local targets. Stephen Gaskell responded that scrutiny might influence target and milestone development between October-February.
 - 1.7 The Corporate Plan and its targets adapts to any emerging legislative framework and other changes. Future targets would be based on any new target, but the existing plan [and its older targets] would continue to be the measure against which Council performance was judged.
 - 1.8 The content of the Corporate Plan is consistent with that of the Local Area Agreement [LAA]. Duncan Whitfield had serious concerns about financial governance arrangements for the LAA, given its potential impact on the authority's budget. This would be the subject of a report to Chief Officer Team this autumn.
2. **FORWARD PLAN [FP]** [see pages 44-60]

- 2.1 Ian Millichap [Constitutional Team Manager] gave a presentation on the council's forward plan and key decisions, a copy of which presentation has been placed on the Minute File.
- 2.2 Cllr Foulkes asked for clarification of "significant" in relation to a decision included in the FP, for clarification of the process for deciding this, and also what reasonable chance of decision change existed through this process. Ian Millichap responded that the protocol for Key Decisions was set out in the Constitution, and included the decision's likely impact, any significant social and environmental risk, whether it impacted on multiple wards areas and whether any opposition had been raised to it. The decision might be referred up to the Executive if deemed significant – which body might still decide against it.
- 2.3 There were many stages of the process of decision-making and the Key Decision protocols had been designed as a failsafe within the decision making structure. The protocols culminatively governed who must be consulted. Paul Evans confirmed that "Provision of Council services" could also be taken to include wholly Council grant-funded projects.

3. DIRECTOR OF FINANCE - DUNCAN WHITFIELD

- 3.1 Duncan Whitfield, Director of Finance, gave a presentation outlining the role of Southwark Financial Management Services [FMS], the authority's financial situation, external and internal challenges, and offering suggestions for potential scrutiny review in 2006/07. He noted that Southwark's Budget Book 2006/07 had recently been published – copies were available to members on request.
- 3.2 Cllr McNally noted that Southwark had maintained its CPA rating this year. DW stated that few other authorities had done so. Wandsworth and City of London had however maintained their 4 rating. Wandsworth was classed as less deprived than Southwark and in addition was able to use resources differently to many other authorities – this usually involving having raised revenue in the first years of new administrations through aggressive Council Tax increase.
- 3.3 Cllr Jones noted that Southwark's figures for agency contracts appeared to vary. Duncan Whitfield responded that it was necessary to look at the definition of "agency staff", how staff were employed on finite project work, how consultant activity was defined and the periods of time for which staff were employed in relation to these figures. For example, during Housing Department restructuring the number of agency contracts increased.
- 3.4 Cllr Livingstone asked what action the Council was taking to improve Council Tax collection, currently below the London average, given that improvement in collection performance would go some way to ameliorate budget pressures. DW explained that Southwark's circumstances were unique but despite this the authority's position had improved. Problems with collection included the different challenges offered by a migrant population and difficulties around debt collection in particularly inaccessible locations. He cautioned members against over-aspiration and agreed to provide the sub-committee with comparative figures for Council Tax debt collection for other London boroughs prior to budget setting to inform the sub-committee's budget scrutiny.

- 3.5 In respect of the National Fraud Initiative [NFI], Duncan Whitfield acknowledged the ongoing issue of how Southwark utilises the large volume of mixed data from NFI, given that the borough does not compare favourably to other boroughs in this respect. FMS was now establishing protocols for each NHF dataset.

4. DIRECTOR OF REGENERATION - PAUL EVANS

- 4.1 The Director of Regeneration gave a summary presentation of the Regeneration Department's remit, current work, resources, national context, partnership environment, performance history and regimes. Paul Evans also gave summary background information in relation to the decant, commercial property and Section 106 suggestions that had been put forward prior to the meeting as areas for possible scrutiny review. A copy of this presentation is on the Minute File.

- 4.2 The following points arose from the presentation and subsequent discussion.

- (a) Southwark contains areas of deprivation in very close proximity to areas of great economic activity in Central London – this is the challenge for regeneration;
- (b) Much of the Department's business involved dealing with the investment sector and in applying leverage to achieve projects. There was a strong track record in securing external funding e.g. Single Regeneration Budget and Neighbourhood Renewal Funding secured for Peckham;
- (c) In respect of financial resources, the £30m capital receipts to the Department were largely from routine disposals, which varied in scale;
- (d) Planning system performance [BVPI 109] is a key measure in Southwark's Corporate Plan, and performance is now at a very high level;
- (e) The Aylesbury is the largest "neighbourhood" model example in the borough, being managed by an independent board. The anticipated national "double devolution" agenda will result locally in certain choices remaining at borough level thus providing a balance of neighbourhood solutions across Southwark as a whole;
- (f) The London Pan is based around intensification of London through: further investment in transport infrastructure; more intensive development; and delivery of new affordable housing in Southwark. N.B. debate continues around the relative balance of inner and outer London development, however;
- (g) Changing powers for the London Mayor include: responsibility for new housing resource allocation and planning power for the most significant London schemes;
- (h) Southwark Works ! is a joint working pilot that places employment advisers into key places such as GP surgeries.

- 4.3 In relation to major regeneration projects, Paul Evans noted that many lessons had been learned from previous projects, especially Peckham Partnership. He noted that the Elephant & Castle governance structures had no decision making capacity and that a different approach was being employed to working with development partners to deliver the borough's plan, based around what needed by the borough. Selection of the preferred developer for E&C was at stage 3. The three remaining developers would be required to make a more detailed submission. The Executive would choose the developer and there would be a transparent evaluation process.

5. SUB-COMMITTEE 2006/07 WORK PROGRAMME

- 5.1 Informed by the presentations from Chief Officers the sub-committee discussed items put forward for scrutiny by members, in order to draft a 2006/07 work programme
- 5.2 The key points arising from discussion of suggested items proposed as topics for review were as follows:
- 5.3 **Section 106**
- 5.4 The Director of Regeneration circulated a briefing paper on Section 106 to those present, which was read and discussed.
- 5.5 Members interest in this issue centred around:
- how s.106 monies are released;
 - how much is left unspent [example of £450k in Rotherhithe area available for employment and training purposes but not yet accessed, was quoted];
 - how the council draws up its contracts with developers taking s.106 into account;
 - how unspent s.106 monies might be unlocked for work within local areas [including legal issues around doing so]; and
 - how the authority currently audits allocation and expenditure of s.106.
- 5.6 The Director of Regeneration urged members to clearly differentiate between “unallocated” and “unspent” s.106 when scoping the review.
- 5.7 Paul Evans advised that the majority of s.106 money was tagged for particular activity and in addition legal issues existed around unlocking this funding. He alerted the sub-committee to anticipated Government policy change in Autumn 2006 around planning gain. Members were also advised of work in the West Bermondsey area on “project banks” and agreed that feedback from those involved about the degree of success experienced might be useful in relation to this review.
- 5.8 Members noted that training for all members on s.106 would take place on 11 October 2006.

- RESOLVED:**
1. That scrutiny of s.106 be scheduled for 22 November 2006. Members would in the meantime keep a watching brief on developments and initiate discussion/debate through their Community Councils if they wished.
 2. That Councillor Noblet provide scoping input into this review.

5.9 **Southwark’s Commercial Property Portfolio**

- 5.10 The issues included:
- how the CPP is managed [with a view to members exploring whether it might be managed differently and/or regularised];
 - issues around market rents for commercial properties vis a vis encouragement of small businesses [scrutiny was undertaken on Pullen’s Yards]. In some areas members thought that the Council might be charging above market rent;
- 5.11 Members noted that there were complicated issues around disposal, including that the properties in question were often not “prime” properties.

- 5.12 The Director of Regeneration advised that there existed a tension between Southwark's role as supporter of community business and its role as commercial landlord. The Regeneration Department was committed to the process of gathering information on this issue so that scrutiny might look at the issue and make recommendations to the Executive.

RESOLVED: That the Director of Regeneration bring a full report to sub-committee on 27 September 2006, this to include: the number of vacant properties together with an analysis of their geographical areas – to identify any pattern, and setting out options for managing the portfolio differently.

5.13 **Quality of life on estates under change**

- 5.14 Cllr Foulkes had proposed the topic as she believed that lessons from Wooddene decant could inform Southwark's future decant policy and practice. In her proposal she noted that residents remained on Wooddene 4 months after the extended deadline for decant had passed. In addition, the manner in which decant was undertaken was problematic – remaining residents experience crime, antisocial behaviour and lack of provision of Council services during decant. Crime, squatters and prostitution were adversely affecting residents on the Acorn Estate. In addition consultation with residents was lacking during the decant process.

- 5.15 Cllr Foulkes also suggested that the sub-committee might look at Gilham House [located partly within Lewisham and partly within Lambeth] as an out-of-borough example of decant implementation.

- 5.16 Members agreed that the review should examine what might be considered decant best practice.

- 5.17 The Director of Regeneration advised that a full paper on decant would be put to the Executive in late September 2006 updating members on overall progress of implementation. He would however provide separate updates to scrutiny on particular decants if members requested.

- 5.18 The Chair asked whether, in the light of Housing and Regeneration and Resources scrutiny sub-committee's joint interests in the issue, the two bodies might undertake an element of joint review around this topic. Cllr McNally [Chair of Housing scrutiny] advised that his sub-committee had agreed to focus on post-implementation review of the first stage Heygate decant in the second year of its work programme.

RESOLVED: That the Director of Regeneration provide an update report to the sub-committee on 27 September 2006 on overall progress of implementing decant in the event that a fuller report on decanting not be put before the Executive that same month.

5.19 **Canada Water regeneration**

- 5.20 Councillor Foulkes explained that she had proposed this matter as Southwark funding of Canada Water Forum had been withdrawn at a key stage. In addition, the forum provides a vehicle for stakeholder representation and a voice for the local community.

- 5.21 The sub-committee noted that CW Forum members had a high level of knowledge of planning issues which would potentially be lost. Reportedly the Forum Co-ordinator would be leaving shortly. Cllr Noblet advised that British Land had agreed to fund the Forum until March 2007.
- 5.22 Cllr Foulkes explained in her proposal that there was a paucity of family housing provision in the development. Although meeting UDP requirements, there were disproportionate numbers of studios and one bedroomed flats in the development, which she felt were both more suited to city workers and did not add to creating a sustainable community. Serious questions existed about the demographic changes in the area.
- 5.23 There also existed the question of whether there was adequate provision of community services such as schools, particularly at secondary level, doctors, dentists and access to leisure facilities given the likely increase in population in the surrounding area.
- 5.24 In respect of the proposal for a new leisure centre on the Home Depot site, and the land swap for the site of Seven Islands, Cllr Foulkes proposal noted that Southwark Council had not yet reached a decision on the matter.
- 5.25 The Council's Forward Plan indicated that the CW implementation programme would be considered at the Executive on 12 December 2006. Paul Evans advised that there would be a related planning application considered August 2006.
- 5.26 Members agreed it would be useful to gather feedback from the Forum on what they believed their retrospective role to be beyond the agreement of the masterplan.

RESOLVED: That scrutiny of Canada Water regeneration be scheduled to take place after the Executive has taken its decision on the CW implementation programme at its meeting on 12 December 2006.

5.27 **Elephant & Castle traders**

- 5.28 Members suggested that following the previous sub-committee's scrutiny review traders the new sub-committee make contact with the traders to check how the various measures/packages were being experienced.
- 5.29 It was acknowledged that this was a very time-sensitive review. In addition members agreed it was vitally important that they were briefed fully [at least to the level of the previous sub-committee] prior to meeting with the traders.
- 5.30 The sub-committee suggested that the issue could be that the traders themselves may not feel that there has been a settlement per se, in which case the sub-committee would need to establish what had gone wrong with the process and at which stage(s).
- 5.31 The Director of Regeneration advised members that the Council is not currently the traders landlord. In addition there were some differences between the position of the Council and that of some traders. The sub-committee would need to establish whether there was a formally constituted group of traders with whom it might communicate.

5.32 The Director of Regeneration advised the sub-committee that he would need to take certain action on this before the 27 September scrutiny meeting. His report back to the Executive on this matter would update on progress/situation since the scrutiny review.

- RESOLVED:**
1. That a comprehensive officer briefing on the previous work and current situation in respect of the Elephant & Castle traders be provided in early September 2006, immediately followed by a meeting with Elephant & Castle traders and a subsequent informal member session to discuss the matter.
 2. That Councillor Robinson provide scoping input into this review.

5.33 **Interview with London Development Agency**

5.34 Cllr Robinson advised members that the London Development Agency planned a building development on land currently designated as parkland. This represented a precedent.

5.35 Five London boroughs converge at the Crystal Palace Park site and members discussed whether scrutiny activity might accordingly best be undertaken in conjunction with other interested boroughs.

5.36 It was agreed that at a minimum the sub-committee should interact with other agencies involved, in particular the LDA itself and Greater London Assembly member Val Shawcross should be invited to speak with the committee at such time as the LDA plans were available.

5.37 Members agreed to invite the LDA to meet with the sub-committee for a broader discussion of the organisation's work in Southwark, including issues around development of Crystal Palace Park.

- RESOLVED:** That the London Development Agency and Greater London Assembly member Val Shawcross be invited to meet with the sub-committee in February 2006 for a broader discussion of the organisation's work in Southwark, at such time as the LDA plans were anticipated to be available.

5.38 **Office accommodation**

5.39 A scrutiny review had previously been carried out in June 2005.

5.40 Members suggested this issue for 2006/07 in response to reports that Council accommodation was reaching capacity, posed environmental issues and was starting to become an obstacle to staff retention. In addition to disposal issues the topic raised the question of how efficiently the authority was using its buildings.

5.41 Cllr McNally suggested the sub-committee undertake a comparative visit to Tower Hamlets Council – this borough having built a new Town Hall despite having inherited much old stock.

- 5.42 Cllr Salmon noted that the issue segued neatly into that of the numbers of temporary staff employed by the Council. At the last scrutiny meeting at which this topic was considered she reported that Human Resources had given very little information on this issue. As a result questions remained about why staff were engaged for long periods of time on a temporary basis rather than permanently. She noted that around 60 of the Home Ownership Unit's 85 staff were employed temporarily – and asked what strategy was being employed. Members drew a distinction between employment of frontline staff on a temporary basis and engagement of consultants for short periods on particular projects. The sub-committee should examine factors that contribute to the authority being unable to fill these posts.
- 5.43 The Council's Forward Plan indicated Executive consideration of strategy on 11 September 2006.

- RESOLVED:**
1. That scrutiny of the Council's office accommodation be scheduled towards the end of 2006/07, provisional date 28 February 2007.
 2. That Councillor Salmon provide scoping input into the review.

The meeting ended at 10:00PM.

CHAIR'S SIGNATURE:

DATED: