

Cabinet

Tuesday 19 October 2010
4.00 pm
Town Hall, Peckham Road, London SE5 8UB

Membership

Councillor Peter John
Councillor Ian Wingfield
Councillor Fiona Colley
Councillor Dora Dixon-Fyle
Councillor John Friary
Councillor Barrie Hargrove
Councillor Richard Livingstone
Councillor Catherine McDonald
Councillor Abdul Mohamed
Councillor Veronica Ward

Portfolio

Leader of the Council
Deputy Leader and Housing Management
Regeneration and Corporate Strategy
Health and Adult Social Care
Community Safety
Environment, Transport and Recycling
Finance and Resources
Children's Services
Equalities and Community Engagement
Culture, Leisure, Sport and the Olympics

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Contact

Paula Thornton on 020 7525 4395 or Everton Roberts 020 7525 7221
or email: paula.thornton@southwark.gov.uk; everton.roberts@southwark.gov.uk
Webpage: <http://southwark.gov.uk>

Members of the committee are summoned to attend this meeting

Councillor Peter John

Leader of the Council
Date: 11 October 2010



Item No.

Title

Page No.



Cabinet

Tuesday 19 October 2010

4.00 pm

Town Hall, Peckham Road, London SE5 8UB

Order of Business

Item No.

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Page No.

PART A - OPEN BUSINESS

MOBILE PHONES

Mobile phones should be turned off or put on silent during the course of the meeting.

1. APOLOGIES

To receive any apologies for absence.

2. NOTIFICATION OF ANY OTHER ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT

In special circumstances, an item of business may be added to an agenda within five clear working days of the meeting.

3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

Members to declare any personal interests and dispensation in respect of any item of business to be considered at this meeting.

4. PUBLIC QUESTION TIME (15 MINUTES)

To receive any questions from members of the public which have been submitted in advance of the meeting in accordance with the cabinet procedure rules.

Item No.	Title	Page No.
5.	MINUTES	1 - 11
	To approve as a correct record the minutes of the open section of the meeting held on 21 September 2010.	
6.	DEPUTATION REQUESTS	12 - 13
	To consider deputation requests from:	
	<ul style="list-style-type: none"> • Four Squares Tenants and Residents Association in respect of security works on the estate • Dulwich Park Friends in respect of the proposed use of Dulwich Park for the Mix Festival 2011 	
7.	CREATION TRUST - APPROVAL OF FINANCE TO SUPPORT ITS BUSINESS CASE FOR 2011/12	14 - 25
	To approve the Creation Trust's business plan for the current financial year (2010/11) and the completion of a one-year funding agreement.	
8.	JOAN STREET CAR PARK, LONDON SE1 8DA - DISPOSAL OF COUNCIL LAND	26 - 30
	To seek approval for the disposal of council land at Joan Street, London SE1 8DA	
9.	LAND AT ROTHERHITHE STREET/SALTER ROAD SE16	31 - 38
	To agree that the council accepts a surrender of the lease from the Docklands Settlements.	
	OTHER REPORTS	
	The following item is also scheduled to be considered at this meeting:	
10.	FINAL REPORT OF STAGE 1 OF THE DEMOCRACY COMMISSION	
	DISCUSSION OF ANY OTHER OPEN ITEMS AS NOTIFIED AT THE START OF THE MEETING	
	EXCLUSION OF PRESS AND PUBLIC	
	The following items are included on the closed section of the agenda. The Proper Officer has decided that the papers should not be circulated to the press and public since they reveal confidential or exempt information as	

specified in paragraphs 1-7, Access to Information Procedure Rules of the Constitution. The specific paragraph is indicated in the case of exempt information.

The following motion should be moved, seconded and approved if the cabinet wishes to exclude the press and public to deal with reports revealing exempt information:

“That the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1-7, Access to Information Procedure Rules of the Constitution. “

PART B - CLOSED BUSINESS

11. JOAN STREET CAR PARK, LONDON SE1 8DA - DISPOSAL OF COUNCIL LAND

12. LAND AT ROTHERHITHE STREET/SALTER ROAD, LONDON SE16

DISCUSSION OF ANY OTHER CLOSED ITEMS AS NOTIFIED AT THE START OF THE MEETING AND ACCEPTED BY THE CHAIR AS URGENT

Date: 11 October 2010



Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 21 September 2010 at 7.00 pm at the Town Hall, Peckham Road, London SE5 8UB.

PRESENT: Councillor Peter John (Chair)
Councillor Ian Wingfield
Councillor Fiona Colley
Councillor Dora Dixon-Fyle
Councillor John Friary
Councillor Barrie Hargrove
Councillor Richard Livingstone
Councillor Catherine McDonald
Councillor Veronica Ward

1. APOLOGIES

Apologies for absence were received from Councillor Abdul Mohamed.

2. NOTIFICATION OF ANY OTHER ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT

There were no late items.

3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

There were no disclosures of interests or dispensations.

4. PUBLIC QUESTION TIME (15 MINUTES)

There were no public questions.

5. MINUTES

RESOLVED:

That the open minutes of the meetings held on 20, 26 July and 9 August 2010 be approved as correct records and signed by the Chair.

6. TRANSFORMING ADULT SOCIAL CARE - PUTTING PEOPLE FIRST IN SOUTHWARK

Additional comments of the strategic director of communities, law and governance were circulated at the meeting.

RESOLVED:

That further to the report titled 'personalised services in adult social care' that was presented to executive on 28 April 2009 cabinet:

- a. agrees to the implementation of 'personalisation' to deliver the vision for putting people first in Southwark (see paragraphs 6-13 and appendix 1 of the report);
- b. agrees to the introduction of the new 'customer journey' and its systems, processes and procedures as the means to transform adult social care (see paragraphs 14-25 and appendices 2, 3 & 4 of the report);
- c. acknowledges the impact that personalisation will have upon existing providers as people exercise more choice and control and endorses the approach being taken to shape the social care provider market (see paragraphs 26-31 of the report); and
- d. endorses the other actions that are being taken to underpin and deliver personalisation (see paragraphs 32-34 of the report).

7. 5 TROSSACHS ROAD, SE22 AND 7 HAYLES STREET, SE11 - DISPOSAL OF FREEHOLD INTEREST

RESOLVED:

1. That the head of property be authorised to dispose of the council's freehold interests in 5 Trossachs Road, SE22 and 7 Hayles Street, SE11 (the "properties"), either by auction or an alternative method of sale, for a consideration not less than the best that can reasonably be obtained.
2. That the head of property be authorised to set the levels of reserve, below which the properties will not be sold, prior to any sale at auction; or, in the event of an alternative method of sale, set the minimum prices at sums that equate to the best consideration that can reasonably be obtained.
3. That the capital receipts from the sale of the properties be recycled and used in accordance with the provisions of the capital finance regulations for the purposes of the housing investment programme as identified in the finance directors comments (paragraph 30 of the report).

8. APPROVAL OF THE COUNCIL'S TRANSPORT FOR LONDON FUNDED WORK PROGRAMME FOR 2011/12 AND INDICATIVE PROGRAMME 2013/14 FOR SUBMISSION TO TRANSPORT FOR LONDON

RESOLVED:

Decisions of the cabinet

1. That the content of the council's proposed submission to Transport for London (TfL) identifying transport projects to be delivered with TfL Local implementation plan (Lip) funding in 2011/12 and the indicative programme of work for the years 2012/13 and 2013/14 as contained in appendices A and B of the report be agreed.
2. That the identified programme be submitted to TfL by 8 October 2010.
3. That the agreed programme as set out in appendices A and B of the report be implemented.

Decisions of the leader of the council

4. That the authority of the cabinet member for transport, environment and recycling to amend the programme for 2011/12 should any variations to the proposed programme be required be confirmed. The cabinet member shall consult community council chairs regarding scheme changes in their area.
5. That authority be delegated to the cabinet member for transport, environment and recycling to determine the most appropriate use of the £100k discretionary funding allocated by TfL for 2011/12.

9. A FAIRER FUTURE FOR ALL IN SOUTHWARK - PRINCIPLES FOR BUDGET SETTING

The leader introduced the report.

RESOLVED:

That the following principles be agreed:

1. At a time of unprecedented cuts proposed by central government, the 2011 Southwark budget should continue to prioritise the commitments made by the cabinet at its first meeting as a new administration in June and its vision to create a fairer future for all by promoting social and economic equality in an economically vibrant borough.
2. We recognise that some services currently provided by the council may be lost, and some may change. However, we will do all that we can to protect our front-line services and support our most vulnerable residents.

3. We will ensure that the services which the council delivers provide value for money, value for council tax payers and contribute towards delivering our vision of creating a fairer future for all in Southwark.
4. We will explore alternative ways of providing a service prior to proposing any cut or reduction. This will include talking to partner organisations, the voluntary sector, the trade unions, the business community and other local authorities.
5. We will be transparent with any specific group or groups of users who may be affected by any cut or reduction in service provision as soon as possible and explore with them other ways to provide the service. We will conduct an equalities impact assessment for our budget proposals.
6. Before proposing any cut or reduction we will have a clear and comprehensive explanation for why that service should be cut, reduced or no longer provided by the council, and this explanation should be capable of being subject to robust challenge.
7. Budget proposals should be based on a three year approach and should have regard to innovative ways of providing services and maintaining employment in the borough.

10. QUARTER 1 REVENUE MONITORING REPORT 2010/11

RESOLVED:

1. That the following be noted:
 - the general fund outturn forecast for 2010/11 and the forecast net movement in reserves
 - the general fund budget movements and explanations
 - the housing revenue account's (HRA) forecast outturn for 2010/11 and movement in reserves.
2. That the treasury management activity for the first quarter of 2010/11 be noted.
3. That strategic directors be instructed to take further necessary action to manage the cost of services within the agreed budget.

11. CAPITAL PROGRAMME 2009/10 OUTTURN REPORT

RESOLVED:

1. That the outturn position for 2009/10 for the capital programme 2009/19 for both the general fund and housing investment programme including the overall position of the programme (appendices A and B of the report) be noted.
2. That the addition to the capital programme of the funded schemes identified in appendix C of the report be noted and approved.

3. That the reprofiling of spend and resources into the 2010/19 general fund capital programme (appendix D and paragraphs to 88 to 90 of the report) be noted and approved.

12. CAPITAL PROGRAMME 2010/19 - QUARTER 1 MONITORING REPORT

RESOLVED:

1. That the current monitoring position for the capital programme 2010/11 – 2018/19 for both the general fund and housing investment programme as at 30 June 2010 (appendices A and B of the report) be noted.
2. That the additions into the programme of budgets relating to prior decisions and the movement of existing schemes between departments be noted (appendix C of the report).
3. That the addition of budgets into the programme, matched by additional funding secured (appendix C of the report) be approved.
4. That it be noted that the overall resourcing of the capital programme is being reviewed, and will be reported to cabinet in the autumn.

13. GATEWAY 1 - INITIAL PROCUREMENT STRATEGY, PARKING AND TRAFFIC ENFORCEMENT SERVICES CONTRACT

RESOLVED:

That further market testing to explore the range of issues set out in paragraphs 16 - 18 of the report be agreed.

14. SOUTHWARK MARKETS AND STREET TRADING STRATEGY 2010/2013

The cabinet received a deputation from the Southwark Association of Street Traders (SAST) on the proposals contained in the report. The SAST representative Mr John Wallington welcomed the strategy but reported that the street traders were strongly opposed to the proposal to change the legislative framework from London Local Authorities Act 1990 to Part 111 of the Food Act 1984 and to the proposed relaxation of the five stall away rule.

RESOLVED:

1. That the Southwark Markets and Street Trading Strategy attached as appendix 1 of the report be agreed.
2. That officers be authorised to begin implementing an improvement action plan outlined in appendix 2 of the report.

3. That officers commence further consultation on changing the legislative framework from London Local Authorities Act 1990 as amended to Part 111 of the Food Act 1984.
4. That consultation be carried out on the following proposal:
 - to relax the five stall away rule only under the following circumstances: Either when a temporary trader wishes to trade and enforcing the 5 stall away rule would mean the trader would be unable to trade on that day; or if an existing licensed permanent trader wishes to expand by taking on an adjacent vacant stall. A minimum of 1 stall away would always remain.
5. That participation in market development be further invigorated by creating a strategic quarterly forum with the lead member, officers, Southwark Association of Street Traders (SAST), and any other relevant parties.

15. REVIEW OF SOUTHWARK HOUSING GARAGE RENTS

This item was withdrawn.

16. STREET CLUTTER OVERVIEW AND SCRUTINY REVIEW 2010 - CABINET MEMBERS RESPONSE TO COMMITTEE RECOMMENDATIONS

RESOLVED:

That the proposals in the report resulting from overview and scrutiny committee recommendations be approved.

17. SOUTHWARK COUNCIL FOOD STRATEGY REPORT - CABINET MEMBERS RESPONSE TO COMMITTEE RECOMMENDATIONS

RESOLVED:

1. That the need for a Southwark food strategy be agreed.
2. That the proposed process and timeline for the food strategy as set out in the report be agreed.
3. That the agreed food strategy be referred to council assembly for information.

18. MOTIONS REFERRED FROM COUNCIL ASSEMBLY

Southwark's Response to the Emergency Budget

RESOLVED:

1. Cabinet notes the unprecedented, game-changing cuts that government is making to public sector spending. Cabinet also notes that local government will not be protected from those cuts and that while we will know more after the comprehensive spending review in October, the council will face upwards of a 25% reduction in funding over the next five years.
2. Cabinet notes that the poorest Southwark residents and families will be hit hardest personally by the budget, with significant changes to:
 - Housing benefits
 - Tax credits
 - Child benefits
 - Disability Living Allowance
3. Cabinet further notes that the 2.5% increase in VAT, which as a deeply regressive tax will hit the poorest hardest, and will more than swallow up any savings Southwark residents make through changes to the income tax personal allowance and council tax freeze.
4. Cabinet notes that the increase in VAT will lead to higher prices for goods and services; will have a disproportionate impact on pensioners and other low income groups; and will have a severe impact on businesses, charities and community groups in Southwark. Cabinet further notes the disproportionate effect of the budget on women and the disabled.
5. Cabinet notes that the effect of the increase in VAT, when taken with other measures in the budget, will be unfair to pensioners, who have not had a compensatory increase in other benefits and allowances.
6. Cabinet notes that the way the VAT increase will affect pensioners and other low income groups runs counter to the Government's Coalition Agreement statement on 20 May 2010 that it would "ensure that fairness is at the heart of those decisions so that all those most in need are protected".
7. Cabinet notes that the Institute of Fiscal Studies has stated the VAT increase was not "unavoidable," as the Chancellor of the Exchequer said in his budget speech."
8. Cabinet notes that these changes will take place at a time of rising unemployment and that the Office of Budget Responsibility's figures show that the actions in the budget itself will lead to weaker employment growth and more serious unemployment levels.

9. Cabinet notes that it has already committed to cutting waste and making efficiency savings, but that they will not be enough to prevent loss of services. Cabinet believes that the council will have to change the way it works by being innovative if we are to both continue delivering for Southwark residents and also try to meet the greater needs that the welfare reforms, VAT changes and persistent unemployment will cause in the community.
10. Cabinet further believes that meeting this challenge will require greater cooperation between the council, its neighbours, residents, businesses, local trade unions and stakeholders. Cabinet believes that the council's response will be stronger if local consensus can be achieved between the local parties wherever possible and resolves to go forward on that basis.
11. Cabinet therefore resolves to open up the council's budget making process by finding innovative ways of involving residents in the tough choices that lie ahead and being honest with them about the scale of the challenge.
12. That the leader of the council write directly to the Chancellor of the Exchequer raising concerns about the impact of the proposed VAT increase on pensioners, other vulnerable groups and businesses in Southwark.
13. Cabinet agrees to write to members of parliament representing Southwark, asking that they stand up for Southwark's pensioners, businesses and wider community, to voice their opposition to this unfair increase in VAT.

Publication of Spending on Goods and Services over £500

RESOLVED:

1. That the cabinet resolution of 15 June 2010 in which it states it will "open up the budget making process for public scrutiny so we make better decisions" be noted.
2. That in light of this commitment to the residents of Southwark, cabinet agrees to bring forward proposals, as requested by the Secretary of State for Communities and Local Government to make details of spending on all goods and services over £500 for the public to see and scrutinise.
3. Cabinet believes that local people should be able to hold politicians and public bodies to account over how their hard earned cash is being spent, and welcomes these proposals, following the coalition government's own commitment demonstrated by the online publication of the COINS database, and cabinet agrees to follow this example.
4. Cabinet notes that by September, councils will be expected to make these details available and should be doing this as a matter of course by the start of next year.

Southwark Park and the Olympics

RESOLVED:

1. Cabinet notes the quashing of the council's planning permission for the refurbishment of the sports and athletics facilities at Southwark Park.
2. Cabinet notes the public statement of 'disappointment' by the leader of the council at this setback, and that securing an Olympic legacy for Southwark remains a priority for the council.
3. That the cabinet member for culture, leisure, sport and the Olympics makes all efforts to make a decision on the submission of a new application to allow the possibility of the project being delivered in time for the Olympics.

Southwark's Capital Programme

RESOLVED:

1. Cabinet notes that in the budget on Tuesday 22 June, the Chancellor of the Exchequer specifically excluded capital spending from budget reductions and said he wished to focus on capital "projects with a significant economic return to the country".
2. Cabinet believes that this announcement allows Southwark to make progress on delivering a variety of capital projects that will bring significant economic benefits to the borough and more widely across London. By continuing to invest in major capital schemes the council will ensure the borough's residents have access to affordable housing, libraries, leisure centres, schools and sporting and youth facilities fit for the 21st century.
3. That it be noted that council assembly supports the new administration's view that the capital programme is of such strategic importance that it should be discussed and approved by the full council assembly.
4. Cabinet notes that council assembly supported the proposal set out in item 5.2 (the report on constitutional changes) of the 14 July council assembly meeting agenda that the cabinet submit the capital programme to council assembly for approval once every four years and agrees to submit a revised programme to council assembly for approval during 2010.
5. Cabinet notes that the current capital programme, agreed on 9 February by the previous administration, made no commitment to fund refurbishment work of Seven Islands leisure centre. Instead it asked that the finance director provide more detailed options analysis and financial appraisals on the remaining bids received (including Seven Islands) for future consideration by the executive in the context of resources available and considering any additional resources which can be identified. The total costs for these bids totaled £115m, against a budget of £55.5m available.

6. Cabinet recognises the importance of Seven Islands leisure centre to a significant proportion of the borough and agrees to give careful consideration to how its refurbishment could be funded through the capital programme.
7. Cabinet notes the report to the regeneration and leisure scrutiny sub-committee on 29 June identified that the Canada Water library will cost a further £0.5 million more than has been agreed in the capital programme as a result of the over-running of the construction phase of this project. Cabinet agrees to this additional expenditure over and above the level of the commitment made by the previous administration so that this work can be completed.
8. Cabinet believes it is important that the capital programme demonstrates investment in all areas of the borough and not just one community council area. Cabinet therefore agrees to consider the needs of the whole borough in its revision of the capital programme before submitting it for approval to council assembly.

Nursery Row Park

RESOLVED:

1. Cabinet notes the motion and that as requested, the cabinet member for regeneration and corporate strategy has written to the Secretary of State, who has now directed that sites 52P and 53P should not be saved as housing sites.
2. Cabinet welcomes the proposed open spaces development plan document and agrees that the whole of Nursery Row Park should be given planning policy protection at the earliest possible opportunity.

19. APPOINTMENTS TO OUTSIDE BODIES - SOUTH LONDON GALLERY BOARD OF TRUSTEES

RESOLVED:

That Councillors Catherine Bowman and John Friary be nominated to the South London Gallery Trustee Ltd for the 2010-11 municipal year and the remaining position come back to a future meeting of the cabinet for consideration.

EXCLUSION OF PRESS AND PUBLIC

It was moved, seconded and

RESOLVED:

That the public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information as defined in categories 1 - 7 of paragraph 10.4 of the Access to Information Procedure Rules of the Southwark Constitution.

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

20. MINUTES

The closed minutes of the meetings held on 20 and 26 July 2010 were agreed as correct records and signed by the Chair.

The meeting ended at 9.05pm.

CHAIR:

DATED:

DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, THURSDAY 30 SEPTEMBER 2010.

THE ABOVE DECISIONS WILL NOT BE IMPLEMENTABLE UNTIL AFTER THAT DATE. SHOULD A DECISION OF THE CABINET BE CALLED-IN FOR SCRUTINY, THEN THE RELEVANT DECISION WILL BE HELD IN ABEYANCE PENDING THE OUTCOME OF SCRUTINY CONSIDERATION.

Item No. 6.	Classification: Open	Date: 19 October 2010	Meeting Name: Cabinet
Report title:		Deputation Requests	
Ward(s) or groups affected:		Riverside and Village wards	
From:		Strategic Director of Communities, Law & Governance	

RECOMMENDATIONS

1. That the cabinet consider whether to hear a deputation from the Four Squares Tenants and Residents Association in respect of security works on the estate.
2. That the cabinet consider whether to hear a deputation from Dulwich Park Friends in respect of the proposal to hold The Mix Festival 2011 in Dulwich Park.

BACKGROUND INFORMATION

3. When considering whether to hear the deputation request, cabinet can decide
 - To receive the deputation at this meeting or a future meeting; or
 - That the deputation not be received; or
 - To refer the deputation to the most appropriate committee/sub-committee.
4. A deputation shall consist of no more than six people, including its spokesperson. Only one member of the deputation shall be allowed to address the meeting for no longer than 5 minutes. After this time members may ask questions of the deputation for up to 5 minutes. At the conclusion of the questions, the deputation will be shown to the public area where they may listen to the remainder of the open section of the meeting.
5. Any relevant resource or community impact issues will be contained in the comments of the strategic director.

KEY ISSUES FOR CONSIDERATION

Four Squares Tenants and Residents Association

6. A deputation request has been received from the Four Squares Tenants and Residents Association requesting that security works be completed on the estate.
7. The deputation feel that they have “an extremely strong case” for the security works to be completed across the full estate. It is felt that homes in Layard and Marden Squares are currently not safe and the association would like an opportunity to explain the problems that are being experienced on the estate. The deputation would like to receive confirmation of a timescale for these security works to be completed in full.

Dulwich Park Friends

8. A deputation request has been received from Dulwich Park Friends in respect of the proposal to hold The Mix Festival 2011 in Dulwich Park.
9. The deputation do not think that the park is an appropriate venue for this festival on the basis that Dulwich is an ornamental heritage park, celebrating its 120th anniversary this year. It is considered that the scale of event is not relevant for a park of this type because of the numbers attracted and headline acts that are scheduled to take place at the festival.
10. Consequently, the Dulwich Park Friends feel that there is a real risk of damage to the park. The deputation state previous events that took place in the park in the early 2000s caused damage to the park and on three occasions large delivery lorries damaged the listed stone columns at the entrance. The lawns suffered damage and kerbing was broken, hence the reason given why the park reverted to more low key events.
11. Additionally the deputation advise that on a typical summer weekend around 5,000 people visit the park for leisure purposes and question how these visitors will be accommodated if the festival spreads over large areas of the park.
12. The deputation have been told that two other possible venues will be considered but feel that no systematic comparative work is being undertaken in respect of these.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

13. To follow.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Correspondence from the Four Squares Tenants and Residents Association and Chair of Dulwich Park Friends	160 Tooley Street London SE1	Everton Roberts 020 7525 7221 / Paula Thornton 020 7525 4395

AUDIT TRAIL

Lead Officer	Ian Millichap, Constitutional Manager	
Report Author	Paula Thornton, Constitutional Officer	
Version	Final	
Dated	11 October 2010	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	No	No
Finance Director	No	No
Strategic Director of Environment and Housing	Yes	To follow
Date final report sent to Constitutional/Community Council/Scrutiny Team	11 October 2010	

Item No. 7.	Classification: Open	Date: 19 October 2010	Meeting Name: Cabinet
Report title:		Creation Trust – Approval of Finance to Support its Business Case for 2011/12	
Ward(s) or groups affected:		Faraday	
Cabinet Member:		Councillor Richard Livingstone, Finance and Resources	

FOREWORD – COUNCILLOR RICHARD LIVINGSTONE, FINANCE AND RESOURCES

1. This report recommends the provision of grant funding to Creation Trust, the successor body to the Aylesbury NDC (New Deal for Communities) and the council's Aylesbury Steering Group. It seeks permission to grant fund Creation Trust with £250,000 for this financial year.
2. Given that we are now in the third quarter of the financial year, the report recommends that the grant payable immediately will cover the first three quarters of the current financial year. The report recommends that the grant for the final quarter is subject to the Trust's satisfactory performance when measured against its agree performance plan, in line with normal procedure. Creation Trust would then need to make separate grant applications for successive years which the council intends to decide before the start of the relevant financial year

RECOMMENDATIONS

That the Cabinet:

3. Approve Creation Trust's business plan for the current financial year (2010/11)
4. Agree that the council should enter a one-year Funding Agreement with Creation Trust incorporating the terms set out in this report and delegate authority to the Strategic Director for Regeneration and Neighbourhoods to finalise the terms of and complete the Funding Agreement (Appendix 1); and approve:
 - The release of up to £187,000 in funding in support of the 2010/11 business case covering the first three quarters of the current financial year; and
 - Subject to the completion of the Funding Agreement, funding for the fourth quarter (up to £63,000), providing Creation Trust complies with the terms of the Funding Agreement and demonstrates satisfactory progress executing its business proposals for 2010/11.
5. Request the Strategic Director for Neighbourhoods and Regeneration to meet with the Director of Creation Trust annually, prior to the submission of any subsequent funding request to the council, in order to review Creation Trust's work programme going

forward to ensure that its business plan:

- Does not contain any projects that seek to duplicate existing council services and/or council sponsored services
 - Contains projects that demonstrably add value to the council's objectives for the Aylesbury Estate.
6. Requests council officers to report back to Cabinet in February 2011 following their review of Creation Trust's work programme (business plan) for 2011/12.

BACKGROUND INFORMATION

7. Creation Trust (a company limited by guarantee and whose formal name is New Aylesbury Trust Ltd.) is the successor body to Aylesbury Steering Group and the Aylesbury NDC. The Aylesbury NDC was established in 1999 with a total budget of £56m to help transform the lives of residents of the Aylesbury Estate over the following ten years and beyond. The Aylesbury NDC was managed by a community led board.
8. The council's Major Projects Board at its meeting on January 27, 2009, agreed that in return for financial assistance of between £14m and £18m from the Aylesbury NDC (via its capital programme), and subject to the completion of a Funding Agreement to fund:
- Council leaseholder buy-outs on the Aylesbury Estate,
 - Improvements to Burgess Park.
9. The council agreed to:
- Bring forward the development of the Amersham site 10 (300- 313 Missenden) in the Aylesbury Regeneration Programme (including community facilities to be held in trust by Creation Trust),
 - Provide revenue support to Creation Trust, subject to the approval of an agreed business plan.
10. These proposals were developed in consultation with the:
- Council (staff and elected members)
 - Regeneration Sub-Group of the Aylesbury Steering Group
 - Government Office for London
 - Communities and Local Government
 - NDC New Deal for Communities) Partnership Board
11. The revenue support to Creation Trust was due to take the form of funding to Creation Trust (from (April 2010 onwards) of approximately £250,000 per annum for five years (totalling £1.25m) to enable it to fund its activities while establishing long-term sustainability and waiting for the revenue stream from the community facilities on the

Amersham (site 10) site to begin once this site is redeveloped.

12. In the event, the Funding Agreement was not completed, and so it is necessary to bring this decision back to Cabinet.
13. The Cabinet Member for Regeneration and Corporate Strategy is the chairperson of Creation Trust. Members of the board of Creation Trust comprise:
 - Up to eight people residing in the Aylesbury area; of which not more than two may be nominated by each of the four Aylesbury Tenant and Resident Associations, or their successor organisations
 - Up to two people nominated by the Aylesbury Leaseholders Group, or its successor organisation
 - Up to seven people nominated by statutory organisations who are operative in the Aylesbury area; of which one person may be nominated by the Southwark Pensioners Centre and one person may be nominated by the Youth Practitioners Group or their successor organisations
 - Up to three Southwark councillors (including Cllr Colley) nominated by the council
14. The Board of Creation Trust approved its business plan in July 2010, comprising the projects set out in Appendix 2, and while council officers have reviewed the business plan and found it appropriate and deliverable, they also concluded that the:
 - It is dependant on the delivery of several existing projects, such as:
 - Aylesbury Young Peoples Project
 - Aylesbury Support for Older People
 - While there are no significant overlaps with other council supplied and/or sponsored services there is scope for overlaps to occur.
 - Funding targets in the plan to allow Creation Trust to operate without council funding from 2014/15 going forward are ambitious and require careful management to remove its reliance on public funding quickly and by the end of year five at the latest.
15. Creation Trust appointed a new director in September 2010 and as a result Tribal who provided an interim Director will withdraw from supporting Creation Trust in October 2010.

KEY ISSUES FOR CONSIDERATION

16. While Creation Trust retains some working capital it does not have sufficient funds to continue to operate through 2010/11 without funding from the council. As a voluntary organisation it would like to receive its funding in advance because it does not have sufficient working capital to operate for long periods if funding was paid in arrears.

17. While the council fully supports the aims and objectives of Creation Trust, as a steward of public funds and within the context of the outcome from the government's Comprehensive Spending Review (CSR 2010), it must be assured that Creation Trust's business projects:
- Deliver real and positive social benefits on the Aylesbury Estate
 - Do not duplicate other public services provided in the Aylesbury Area
18. This means that it would be:
- imprudent for the council to provide any guarantees or promises of continued funding to Creation Trust given the current level of uncertainty concerning public spending in general
 - sensible and proper for council officers to work with Creation Trust to ensure that the projects comprising the trust's business plan going forward resonates with the council's corporate objectives for the Aylesbury Estate and avoids any unnecessary duplication of effort.
19. Consequently, any council funding commitment should only be for a period of one year despite Creation Trust's business plan currently covering a ten-year period. This means that Creation Trust should be required to submit a revised business plan and funding request for Cabinet approval annually.
20. And, in order to assure the council and any funding provided to Creation Trust is administered properly the funding should be provided within a Funding Agreement. This agreement will cover the:
- Amount of the funding to be paid and the nature of its payment, i.e. in advance instalments
 - Performance monitoring and reporting arrangements, including any audit requirements, the council expects to see put in place by Creation Trust
 - Council's right to claw-back any unspent funds.

Policy implications

21. Historically, the council's Economic Development Contracted Funds Programme allowed for payment in advance to delivery agents where this is requested, appropriate and required. Other departmental programmes such as Community Support, Children's services, and others award monies in advance. This custom and acknowledged good practice will be applied to the issue of funds to Creation Trust. Should Creation Trust choose not to progress any of its funding aided projects or if any of these projects return a surplus then it will be obliged return any unspent funds.

Community Project Bank Prioritisation

22. There are no immediate and specific implications for Community Project Bank Prioritisation as a result of the approach to funding having been agreed for the specific purposes set out in this report and the source of funding being related to the aims and objectives of Creation Trust.

Community impact statement

23. Funding in support of 2011/12 business plan of Creation Trust will assist the council to facilitate the development of local communities on the Aylesbury Estate and contribute to the delivery of the Aylesbury Area Action Plan. And as a result, deliver a more sustainable and demographically mixed community.

Resource implications

24. Creation Trust benefits from occasional support from the council's finance department who provide occasional advice to the trust (approximately three hours each month).
25. The business plan prepared by the Creation Trust is reliant on funding income from the council at £250,000 per annum for five years (totalling £1,250,000) starting in financial year 2010/11.
26. The payment of these sums was an in principle recommendation of the January 27, 2009 report put before the Major Projects Board. This report noted at the time that no budget provision had at that point been identified to meet the cost of financial support to the Creation Trust, and that decisions on funding in future years would be made by the relevant decision maker at the appropriate time, potentially as part of budget setting and subject to the availability of funding, impacted by budgetary constraints or pressures applying at the time.
27. For the purposes of the decision outlined in this report a budget provision has been identified to fund this cost at the level proposed within current allocations for financial year 2010/11 subject to the business plan being approved. A budget allocation for the four subsequent financial years outlined in the Creation Trust's business plan is yet to be identified. However since any further payments will be subject to future reports to Cabinet each financial year whereby Creation Trust's business plan is reviewed for approval, any such provision would need to be identified as part of this exercise, subject to availability of budgets pending approval of the business plan for each subsequent year.
28. The report to the Major Projects Board also noted rental arrangements for community facilities to be transferred to the Trust; however, this proposal had not been finalised and no budgetary provision had at that time been identified. The potential need for annual costs of around £60,000 per annum, including rent in relation to community space on Aylesbury Site 10 has been notified to the Finance Department for inclusion on the forward plan from 2013/14 onward, were Creation Trust or an alternative organisation to make use of the site. However where the allocation of council funding is being used by Creation Trust to meet such annual costs, the council will only pay for such costs within the agreed £250,000 annual allocation, not make any other or duplicate additional payments to cover these costs. This will be reflected in the Funding Agreement.

29. The council intends to provide a 0.5 day a month finance support resource from the council's Finance Department to Creation Trust, contained within existing council budget provisions, to assist in reviewing and monitoring Creation Trust's operations. As a result of this resource contribution the Finance Department will be involved in the ongoing review and support of the Trust's activities, the annual Creation Trust business plan review and preparation of the report submitted to Cabinet each year for approval of the business plan.
30. The council will seek to review the amount payable under the Funding Agreement were the Trust either to exceed its income targets in other areas or to underperform relative to income levels received from other sources.

Consultation

31. Consultation has taken place with the Board of Creation Trust with regard to its business plan and the approach to releasing funding.
32. The Funding Agreement will require Creation Trust to consult with the community with regard to ways to engage with the local voluntary and community sector (VCS) and to engage with the VCS where feasible.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

33. Section 2 of the Local Government Act 2000 (as amended) confers well-being powers enabling local authorities to do anything likely to achieve the following objectives:
 - The promotion or improvement of the economic well-being of their area,
 - The promotion or improvement of the social well-being of their area, and
 - The promotion or improvement of the environmental well-being of their area
34. This well-being power may be exercised for the benefit of the whole or any part of a local authority's area, and includes a power to incur expenditure and give financial assistance to any person. In exercise of the power, regard must be had to the authority's approved strategy for promoting well-being.
35. The objectives chime with the stated aims and objectives of Creation Trust. As noted at paragraph 23 of this report, funding in support of Creation Trust's 2011/12 business plan will assist the council to facilitate the development of local communities on the Aylesbury Estate and contribute to the delivery of the Aylesbury Area Action Plan, thereby delivering a more sustainable and demographically mixed community. As such the council providing funding to Creation Trust can be said to be within the powers conferred on the council by Section 2 of the Local Government Act 2000.

Finance Director

36. The Finance Director notes the financial implications contained in the body of this report relating to financial year 2010/11.
37. Budget has been identified to meet up to the £250k funding amount requested for 2010/11 and any funding provided will be subject to a Funding Agreement outlining the council's conditions of funding, to which the Trust must adhere.
38. In light of risks identified in the Creation Trust's business plan prepared in July 2010, the Finance Director looks forward to reviewing a revised business plan in the coming months and to any risks contained therein being mitigated to the council's satisfaction prior to the release of any further funding to the Trust.

BACKGROUND PAPERS

Background Papers	Held At	Contact
NDC Neighbourhood Regeneration and Implementation Collaboration Agreement	Regeneration & Neighbourhoods	Geri McLeary 020752554904
Creation – Business Plan Position Paper	Finance & Resources	Alex Vaughan 02075257691

APPENDICES

No.	Title
Appendix 1	Draft Funding Agreement (Heads of Terms)
Appendix 2	List of Creation Trust's Current Projects

AUDIT TRAIL

Cabinet Member	Councillor Richard Livingstone, Finance and Resources	
Lead Officer	Richard Rawes, Strategic Director of Regeneration and Neighbourhoods	
Report Author	Geri McLeary, Aylesbury Programme Director	
Version	Final	
Dated	8 October 2010	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional/Community Council/Scrutiny Team	8 October 2010	

APPENDIX 1

FUNDING AGREEMENT TO THE NEW AYLESBURY TRUST LIMITED (CREATION TRUST)

HEADS OF TERMS

Parties:	(1) The Mayor and Burgesses of the London Borough of Southwark (the "Council") (2) The New Aylesbury Trust Limited (the "Funding Recipient")
Term:	Financial Year 2010/2011 only – further funding subject to Council approval and further Funding Agreement
Funding Amount:	up to £250,000, payable in two tranches: first tranche: up to £187,000 (to cover first three quarters of Financial Year) second tranche: up to £63,000 (fourth quarter)
Payment dates:	First tranche: paid Second tranche: as soon as reasonable practicable (subject to Council's payment process) following completion of Funding Agreement and satisfaction of Conditions Precedent
Conditions Precedent:	(i) Council approval of Funding Recipient's Business Case for Financial Year (ii) Provision of constitutional documents demonstrating Funding Recipient's independence, openness to participation by members of the community, satisfactory governance, adherence to appropriate policies and procedures including equal opportunities, equality and diversity
General Conditions:	(i) continuing compliance with approved Business Case (ii) Funding to be applied to projects identified in approved Business Case (iii) demonstration of effective management (iv) compliance with legal requirements relevant to management, provision and delivery of services (v) financial management – Funding Recipient to demonstrate proper financial and accounting systems and practices and to provide independently audited accounts for the Financial Year including

	<p>itemised information on use of Funding</p> <p>(vi) political neutrality and no engagement in party political activity</p> <p>(vii) compliance with all monitoring and evaluation procedures reasonably required by the council</p> <p>(viii) maintenance of appropriate insurances</p>
<p>Non-renewal and recovery of Funding:</p>	<p>(i) funding for future financial years is subject to council approval and completion of further Funding Agreement</p> <p>(ii) Funding Amount may be temporarily or permanently reduced, withheld, recovered and/or discontinued by the council at its sole discretion on occurrence of any one or more of the following events:</p> <p>(a) material or repeated breach of General Conditions</p> <p>(b) Funding Recipient ceases to operate / provide relevant services</p> <p>(c) failure to comply with legal requirements</p> <p>(d) Funding Recipient is not being properly managed, staffed, operated and/or equipped to provide the services and/or undertake the activities for which the funding was approved</p> <p>(e) Funding Recipient is or is likely to become subject to an insolvency or bankruptcy event</p> <p>(f) Council decides for financial or other reasons not to fund the Funding Recipient</p>

LIST OF CREATION TRUST'S CURRENT PROJECTS

Creation Trust's core projects for 2010/11 include:

- **(1) Aylesbury Young Peoples Project:** The objectives of Creation Trust support the ongoing work of the Aylesbury Youth Partnership Group and delivery of the wider Southwark Youth Strategy. The main objectives of this project are to:
 - Coordinate, sustain and promote high quality activities for young people living in the Aylesbury Estate and the surrounding area
 - Support the involvement of young residents in the estate regeneration and other arenas where their influence is necessary
 - Identify ways in which the Creation can add value to current work with young residents
 - Look at how current gaps in provision can be addressed in the short term and identify ways in which work can be absorbed into the mainstream
 - Define how work undertaken by and with young people can contribute to Creation and its partners overall outcomes and suggest ways in which the youth agenda can be incorporated across all themes
- **(2) Aylesbury Push:** This project is aimed at enhancing the learning and study skills of GCSE students in the local area. It is a continuation of the project as funded under the NDC programme with the explicit aim of improving numeracy and literacy standards, increasing inspiration, ambition and motivation through a system of homework and progress clubs, coupled with a reward scheme for progress.
- **(3) Aylesbury Older Peoples Project:** One of the key successes of the NDC has been ongoing support and development for Aylesbury residents' confidence and capabilities through the regeneration process, coupled with programmes focused on improving health and well-being. This remains an important issue especially for the older population (50 years plus). The project aims to provide a joined-up range of project support to the local community covering the following:
 - **Health and Empowerment** - The project aims to ensure that older people are informed, supported and empowered to fully participate within the community and throughout the process of the redevelopment. The project intends to develop specialist services to support older people with advice and advocacy services, activities and support with the more 'practical' issues of buying and selling, removals, furniture disposal, etc.
 - **Housing Advice** - The project will involve working through the detailed information generated by the processes associated with the re-housing decant and referencing processes and explaining this to residents, helping them with their decision-making, and advocating on their behalf as necessary. Their support to tenants through the re-housing aspect of the redevelopment will include work to:
 - manage residents' expectations and aspirations

- address residents' fears and ensure they are clear about future plans
 - ensure sustained engagement and involvement during periods of phased rehousing over a long period of time
- **(4) Aylesbury Tackling Worklessness Together:** This project will provide a proactive outreach approach to engage with workless residents to encourage them to access the many existing support services. The project will also ensure closer partnership working and ease of referral by defining working relationships between key agencies / partners through a charter agreement setting out respective rights and responsibilities. This project will support personalised responses to the needs of the most disadvantaged households in the area, providing customised, intensive and long term help. This assistance will supplement and add value to existing provision from statutory providers, and be supported by Creation in circumstances where these agencies and providers are restricted from doing so themselves.

Item No. 8.	Classification: Open	Date: 19 October 2010	Meeting Name: Cabinet
Report title:		Joan Street car park SE1 8DA - Disposal of Council Land	
Ward or groups affected:		Cathedrals	
Cabinet Member:		Councillor Richard Livingstone, Finance and Resources	

FOREWORD – COUNCILLOR RICHARD LIVINGSTONE, FINANCE AND RESOURCES

1. This report recommends the disposal of a small plot of land at Joan Street SE1, behind Southwark tube station.
2. This narrow strip of land is currently an informal car park and is both in a poor state of repair and under-used. Immediately to the south of the site is a disused three-story office/ light industrial building. The north side is bound by hoardings, beyond which lie in turn a narrow public footpath, the tube station's roof light structure, the pedestrianised Isabella Street and then restaurants and bars under the railway viaduct. The site is therefore one that is currently unattractive whilst its location offers significant opportunities for improving the locality.
3. Disposal of this land will also generate a capital receipt that will contribute towards funding the council's capital programme.
4. I have fully considered the report from officers set out below and I put forward the following recommendations:

RECOMMENDATIONS

That the Cabinet:

5. Approves the disposal of council land at Joan Street, shown hatched and edged in black on the plan at Appendix 1 ("the Site"), to Northstar or their nominated company by way of freehold and on the terms outlined in the closed report.
6. Authorises the Head of Property to agree any minor variations to contractual terms.
7. Authorises that the capital receipt from the sale of the property is allocated to the council's capital programme.

BACKGROUND INFORMATION

8. The council owns the freehold to a car park (Appendix 1), accessed directly from Joan Street in SE1, the southern boundary of the car park is bounded by the adjoining property, known as Algarve House. The car park is currently infrequently used and consists of approximately 0.046 acres which provides space for 6 parked cars.

9. Algarve House is owned by the developers Northstar who have recently presented updated proposals for the development of the site both with and without the council's land. A previous planning application for the development of 14 units with commercial space at ground floor was submitted to the council in October 2000 and the application was granted conditional approval with the conditions being agreed in April 2008, following which, the application was given consent. The intervening economic downturn around this time made efforts to bring the site forward for development uneconomic.
10. Due to an improved economic climate the developers have revisited the scheme and presented to the council updated proposals for the development of the site to include the adjoining car park in order to create a more cohesive developable space and provide for a greater developable area. Since receiving these proposals, the council has been in discussions with the developer to dispose of its interest in the car park.

KEY ISSUES FOR CONSIDERATION

11. Northstar intend to develop the subject site with the adjacent property Algarve House in accordance with planning policy.
12. The proposed development will also provide commercial space on the ground floor with further enhancement of the public realm and creation of a small piazza in keeping with the surrounding improvements that have already been made in the local area - especially at the nearby railway arches and along The Cut. Unlocking this site for development will substantially improve the surrounding area, bringing forward a site that has remained under used and blighted for a long time.
13. In order to inform the negotiations with the developer, the council engaged external independent valuation advice who provided an assessment of the existing use value of the car park itself as well as of the value of the land which is contained within the closed report. The property is currently vacant and remains unused.
14. The Head of Property confirms that the proposed transaction meets the council's statutory duty to meet "Best Consideration" under Section 123 of the Local Government Finance Acts.

Financial implications

15. These are set out in the closed version of the report

Policy implications

16. Income generated from the sale of the Site will be allocated to the council's capital programme to be used in line with council priorities.

Community impact statement

17. The development of the planning application for the development will be carried out in line with the council's statutory policies as a planning authority. It should also be noted that the previous application for the development of a scheme was also subject to consultation with the community.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

18. Section 123 of the Local Government Act 1972 states that except with the consent of the Secretary of State, a council shall not dispose of land under that section, otherwise than by way of a short tenancy, for a consideration less than the best that can reasonably be obtained.
19. As indicated in paragraph 14 of this report the Head of Property confirms that the consideration is the best that can reasonably be obtained.
20. If Cabinet is satisfied that the consideration is the best that can reasonably be obtained and the transaction represents value for money it may proceed with the approval of the recommendation.

Finance Director

21. This report recommends the disposal of the Joan Street Car Park in accordance with the terms recommended in the closed report. As this is a General Fund property the receipt from this will be recycled in accordance with the Finance Regulations, into funding the council's Non Housing Capital Disposal Account for use of future council priorities.
22. The finance director notes that there has been an independent existing use valuation of the car park as well as of the value of the land as contained within the closed report.

BACKGROUND DOCUMENTS

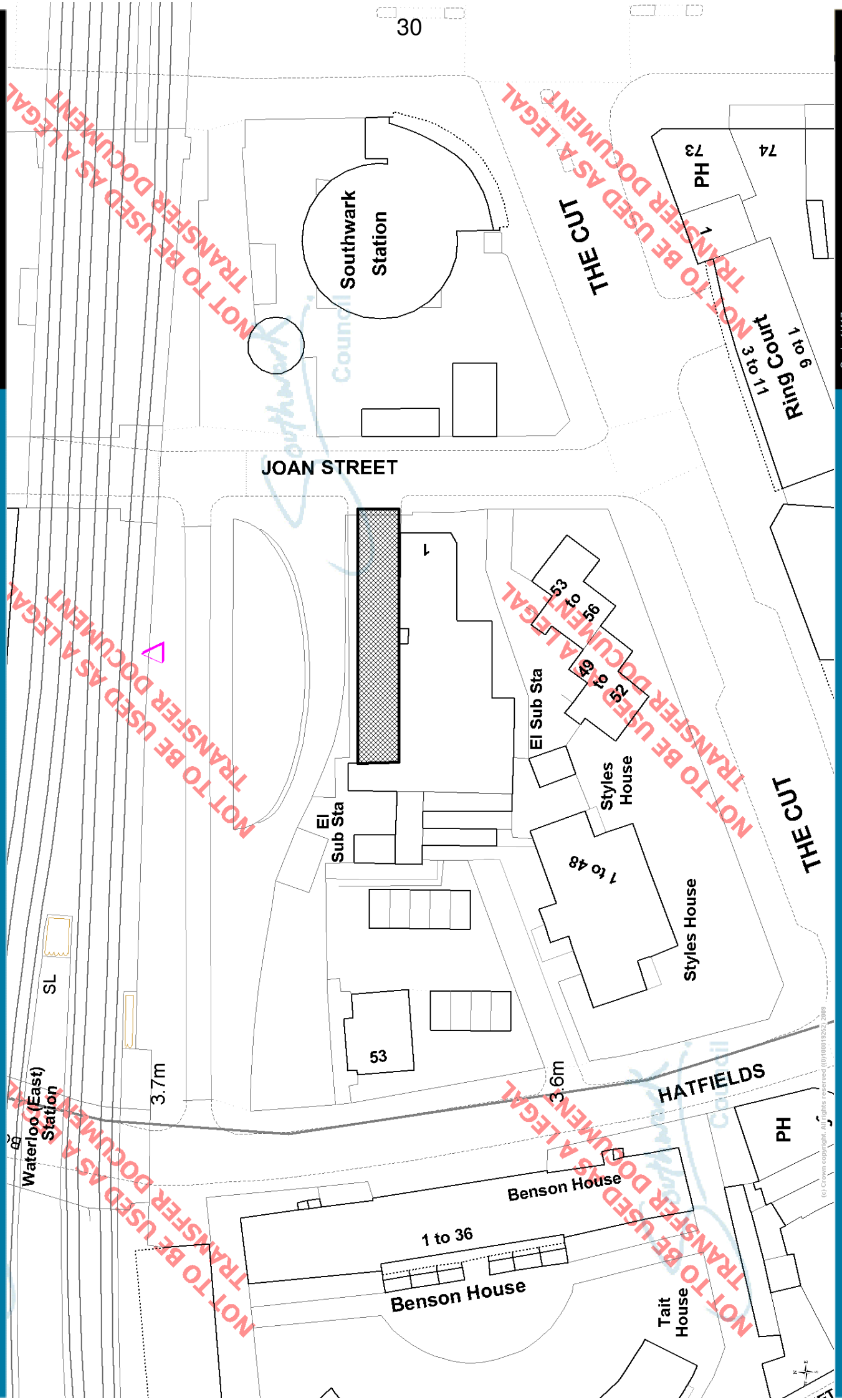
Background Papers	Held at	Contact
None		

APPENDICES

No.	Title
Appendix 1	Council Land plan

AUDIT TRAIL

Cabinet Member	Councillor Richard Livingstone, Finance and Resources	
Lead Officer	Richard Rawes, Strategic Director of Regeneration and Neighbourhoods	
Report Author	Tom Branton, Project Manager	
Version	Final	
Dated	7 October 2010	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		7 October 2010



NOT TO BE USED AS A LEGAL TRANSFER DOCUMENT

NOT TO BE USED AS A LEGAL TRANSFER DOCUMENT

NOT TO BE USED AS A LEGAL TRANSFER DOCUMENT

Item No. 9.	Classification: Open	Date: 19 October 2010	Meeting Name: Cabinet
Report title:		Land at Rotherhithe Street/Salter Road SE16.	
Ward(s) or groups affected:		Surrey Docks	
Cabinet Member:		Councillor Richard Livingstone, Finance and Resources	

FOREWORD – COUNCILLOR RICHARD LIVINGSTONE, FINANCE AND RESOURCES

1. The council has been working with The Docklands Settlements Charity since 2007 to help them achieve their vision of improved community facilities in the Downtown area. The settlement has worked with ward councillors, Rotherhithe community council and local residents to develop this vision. This report recommends that the council surrenders its lease on land adjacent to the Docklands Settlements' premises between Rotherhithe Street and Salter Road to enable the fulfillment of that vision.
2. In May, we promised to make regeneration work for the community and not just property developers. Here is an example where we will deliver on this commitment. We will make land available to a local charity that will enable it to provide a state of the art new facility. This will benefit the whole of the Rotherhithe community, especially younger people and senior citizens. In addition, the regeneration will provide much needed additional social housing.
3. I am therefore asking the Cabinet, after due consideration of the officers' report below, to approve the following recommendations.

RECOMMENDATIONS

That Cabinet agrees:-

4. The council accepts a surrender of the lease from The Dockland Settlements of the land shown shaded orange on the plan at Appendix 1.
5. The council grants a long lease of the land shown shaded green and orange on the same plan to The Dockland Settlements to enable the regeneration of the larger site shown shaded orange, green and blue to take place.
6. To delegate authority to the Head of Property to agree detailed terms for the agreement to effect the regeneration.

BACKGROUND INFORMATION

7. The Dockland Settlements (DS) is a charity that was established in the late nineteenth century to bring welfare and recreation to the youth of dock areas. DS has evolved and adapted to changes in former dock areas but working with youths is still the focus of their activities. There are three DS centres in London at Stratford, the Isle of Dogs and Rotherhithe.

8. The Rotherhithe Centre consists of the Ebenezer's Chapel (this has been closed for some years because of structural problems), a house and a hall that are all linked together. In addition, there are gardens and a five a side football pitch.
9. The plan at Appendix 1 shows the extent of DS' current occupation. They hold the freehold interest in the part shaded blue and they hold the land shaded orange by way of a lease granted by the council.
10. For some time DS has been working on plans to maximise the site in terms of providing wider and more up to date services for their client base. They have developed proposals that will achieve this and in doing so provide an enhanced facility for the residents of Rotherhithe. In order to deliver the vision, expansion of the current site is necessary and the council is asked to lease to the DS the land shown green on the plan together with land shown shaded orange.
11. Property regeneration is not an activity in which DS is experienced. They have are therefore working with Family Mosaic (FM) a Registered Social Landlord that will carry out the construction and meet the cost of the new facility which will include a number of units of housing. In return for this, FM will hold and manage the housing.

KEY ISSUES FOR CONSIDERATION

12. DS' proposed regeneration provides for the following:
 - i) 747m² of youth/community space
 - ii) 528m² of commercial space
 - iii) 590m² of all weather football and basketball pitch/court
 - iv) 27 units of housing made up of 11 flats and 4 houses for social rent and 12 flats for shared ownership
13. The structure of the land ownership arrangements will be:
 - i) DS give up surrender their lease of the land shaded orange (2,920m²).
 - ii) The council grant DS a new 250 year lease of the land shown shaded orange and green (3,730m²) at a nominal rent.
 - iii) DS pay the council a premium (a capital sum for a long lease at a nominal rent) for the lease grant.
 - iv) DS will grant FM a lease for a period of a little less than 250 years at a nominal rent in respect of the housing element of the regeneration.
 - v) FM will construct the new DS facility in lieu of paying financial consideration for the lease grant at iii).
14. There will be an overarching development agreement that will set out the detailed mechanics of the structure described above and will include conditions that have to be satisfied e.g. LDS obtaining and complying with an appropriate planning consent.
15. In addition to the premium mentioned at 13. ii) DS will grant the council user rights to the new facility as follows:
 - i) An exclusive office be available to the council
 - ii) The council to have exclusive use to all weather pitch for one hour on a Tuesday and Thursday evenings and for 1½ hours on a Friday evening and

- at such other additional times that the Dockland Settlements and the council may agree
- iii) During the summer school holidays the council will sole use of the all weather pitch for two hours each day for four days of the week. The hours and days shall be agreed between the parties acting reasonably.
 - iv) The council will have exclusive use of the youth work space area on a Tuesday, Thursday and Friday between 6pm and 9-30pm. During the summer school holidays Dockland Settlements will make this area available for the council's exclusive use on four days of the week [to be agreed] between 2pm and 9-30pm.
 - v) Additional usage of any of the Docklands Settlement facilities may be provided to the council upon agreement between the parties.
16. There will be no charge to the council in exercising these rights in respect of i) to iv) above. In the case of v) the DS' normal hire rate will apply.
 17. At present the council provides a mobile youth service in the locality. The former base at 1 Odessa Street is closed because it needs major repairs; the costs of which are prohibitive. When the regenerated DS facility is completed, the Youth Service will be able to be based there utilising the terms provided at paragraph 15.
 18. It should be pointed out that the council's youth service and the DS service will not be rivals but complimentary to each other as is currently the case.
 19. The additional accommodation provided by the regeneration will enable the DS to reach out to and provide a service to elderly people and this will be a welcome addition for that client group.
 20. A planning application has yet to be submitted for the proposed regeneration DS need to know the council will lease them the additional land before incurring the cost of making an application. The envisaged regeneration will see buildings extending along the frontages of Rotherhithe Street (see Appendix 2), the football pitch moving to further to the north of the site and an access road being formed from Salter Road. This will result in the loss of some open space land (not classified as Metropolitan Open Space)
 21. The premium the DS will pay the council for the lease described in paragraph 13 to enable their aspirations to proceed is set out in the closed version of this report.
 22. The land shaded green and orange is held for housing purposes so prior to any transfer it will be necessary for it to be declared surplus to operational purposes

Policy implications

23. The proposed regeneration addresses the Administration's manifesto commitment to make regeneration work for the community.
24. The submitted version of the Canada Water Area Action Plan (paragraph 4.7.18) advocates the expansion of the DS facility so the proposal is in keeping with that policy.

Community impact statement

25. The proposal will see a loss in some open space land but a significant amount will remain. The improved facility will improve opportunities for the youth of the locality and the aspiration to provide elderly persons services from the facility will widen further the community benefits of the new DS building.

Resource implications

26. These are set out in the closed version of the report.

Consultation

27. Reports have been made to Rotherhithe Community Council including an update briefing earlier this month. In addition, DS have carried out their own public consultation. There will be further consultation as part of the planning process.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

28. Cabinet is asked to approve the surrender of the existing lease to Dockland Settlement. Section 120 of the Local Government Act 1972 ("the 1972 Act") provides that for the purposes of:
- a) Any of their functions under this or any other enactment, or
 - b) The benefit, improvement or development of their area, a principal council may acquire by agreement any land, whether situated inside or outside their area.
29. As the property falls within the council's housing portfolio the disposal by way of the grant of the lease can only proceed in accordance with Section 32 of the Housing Act 1985, for which purposes the consent of the Secretary of State for the Department of Communities and Local Government is required.
30. A number of general consents have been issued in the General Housing Consents 2005.
31. Consent E 3.1 provides that a local authority may dispose of any land held for the purposes of Part II [of the 1985 Act] for the best consideration that can reasonably be obtained, provided that any dwelling house included in the disposal:
- a) Is vacant;
 - b) Will not be used as housing accommodation; and
 - c) Will be demolished.
32. The closed report indicates at paragraph 4 that the Head of Property confirms that the consideration for the grant of the lease is the best that can reasonably be obtained.
33. There are no dwelling houses on the property.

34. If the Cabinet is satisfied that the consideration is the best that can reasonably be obtained and the transaction represents value for money, they may proceed with approval of the recommendation.

Finance Director

35. These are set out in the closed version of the report.

Strategic Director of Children's Services

36. The proposal to relocate the Odessa Street Youth Club within the Dockland Settlements redevelopment provides an environment that that will offer excellent facilities for young people in Rotherhithe. Partnership working to deliver structured youth focused programmes on a range of areas including creative arts and sports will enable young people to fulfill their potential as capable and confident young adults.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Correspondence file	Property Services 160 Tooley Street SE1	Patrick McGreal 0207 5255626

APPENDICES

No.	Title
Appendix 1	Land ownership plan (Colour version of plan circulated separately to cabinet members and available to view on council's website)
Appendix 2	Indicative regeneration plan (Colour version of plan circulated separately to cabinet members and available to view on council's website)

AUDIT TRAIL

Cabinet Member	Councillor Richard Livingstone, Finance and Resources	
Lead Officer	Richard Rawes, Strategic Director for Regeneration and Neighbourhoods	
Report Author	Patrick McGreal, Property Services	
Version	Final	
Dated	7 October 2010	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	In closed report
Strategic Director of Children's Services	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional/Community Council/Scrutiny Team	7 October 2010	



TITLE.

KEY



Freehold interest held by Docklands Settlement.



Extent of land currently leased to Docklands Settlement



Additional land required by Docklands Settlement.

DRAWING No. LBS_2465 (Layout 3)

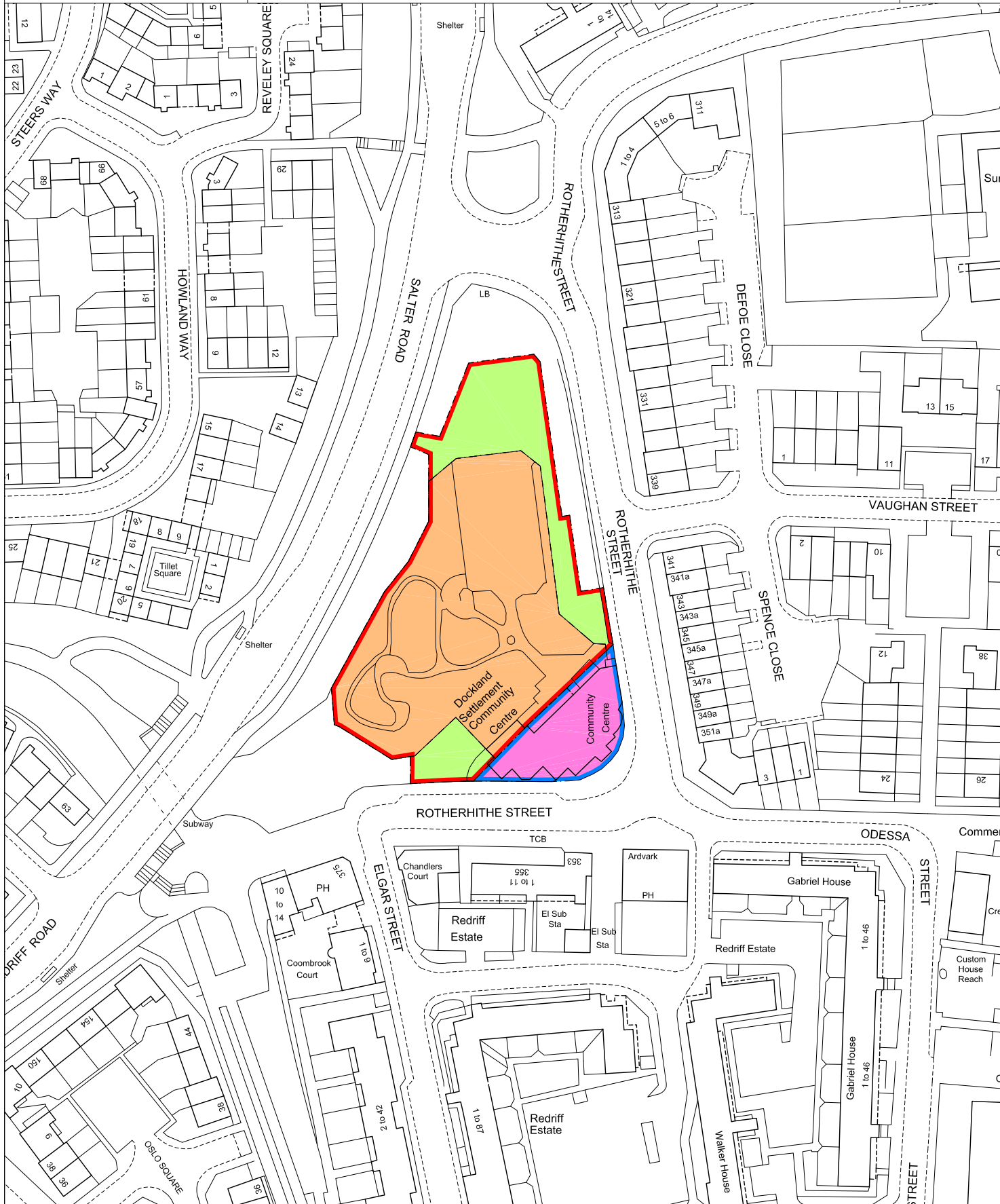
DRAWN BY. MMANKTELOW
Property Division

DATE. 31/8/2010

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LAND AT ROTHERHITHE STREET/SALTER ROAD LONDON SE16
CABINET REPORT 19 OCTOBER

APPENDIX TWO

-  proposed building footprint
-  London Borough of Southwark freehold, long term lease to Dockland Settlements (proposed)
-  Dockland Settlements freehold



 Proposed site plan (1:1250)

CABINET AGENDA DISTRIBUTION LIST**MUNICIPAL YEAR 2010-11**

NOTE: Original held by Constitutional Team; all amendments/queries to
Paula Thornton/Everton Roberts Tel: 020 7525 4395/7221

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		Doreen Forrester-Brown	1
Other Councillors	1 each	Trade Unions	
N Coyle / T Eckersley / G Edwards / D Hubber / M Glover / T McNally / H Morrissey / P Noblet / E Oyewole / L Rajan / A Simmons / L Robinson		Roy Fielding, GMB	1
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Dan Falchicov, Liberal Democrat Group Political Assistant	1	Robin Campbell, Press Office	1
		Constitutional Officer	20
Press		Total:	64
Southwark News	1		
South London Press	1		
Members of Parliament			
Harriet Harman, MP	1		
Tessa Jowell, MP	1		
Simon Hughes, MP	1		
Corporate Management Team			
Annie Shepperd	1		
Romi Bowen	1		
Deborah Collins	1		
Gill Davies	1		
Eleanor Kelly	1		
Richard Rawes	1		
Susanna White	1		
Duncan Whitfield	1		
		Dated: 27/07/10	