



Education and Local Economy Scrutiny Commission

MINUTES of the OPEN section of the Education and Local Economy Scrutiny Commission held on Monday 6 October 2025 at 7.00 pm at Ground Floor Meeting Room G02A - 160 Tooley Street, London SE1 2QH

PRESENT: Councillor Cassandra Brown (Chair)
Councillor Rachel Bentley (Vice - Chair)
Councillor Mohamed Deen
Councillor Margy Newens
Councillor Youcef Hassaine
Martin Brecknell (co-opted member)
Alie Kallon (co-opted member)
Mannah Kargbo (co-opted member)

**OTHER
MEMBERS
PRESENT:** Councillor John Batteson and Councillor Portia Mwangangye

**OFFICER
SUPPORT:** Amit Alva, Scrutiny Officer

1. APOLOGIES

Apologies for absence were received from Councillor Irina Von-Wiese.

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

There were no items of business which the Chair deemed urgent.

3. DISCLOSURE OF INTERESTS AND DISPENSATIONS.

There were no disclosures of interests and dispensations.

4. MINUTES

Minutes of the meeting held on 7 July 2025 were approved as a correct record.

5. COMMERCIAL PROPERTY PORTFOLIO

The commission first heard from Ben Davies (Blue Bermondsey business district) on the management of commercial leases including rent, repairs and marketing covering the following points

- 366 Businesses in the Business Improvement District (BID) area, Retail businesses in High Street where Southwark Council is the commercial landlord.
- Affordable workspaces in the BID to open in early Q1 2026; Small family-owned businesses in the BID and challenges faced, legal advice, rent reviews, issues carried over from Covid and rent reviews backdated 5 years which is allowed by legislation.
- Overdue repairs on business/commercial units especially with housing above; Local business owners unable to reach points of contacts for repairs within the council, lack of process to receive updates and identifying dates of overdue repairs.
- Empty commercial units with ongoing legal processes; Usage of BID units not as intended, such as consumer facing business with closed shutters or barricades.
- Impacts of admin work due to pending rent reviews and overdue repairs in flourishing BID that are mainly family-owned small businesses in a deprived area such as Blue Bermondsey.

The commission then received a report on Commercial Property Portfolio from Councillor John Batteson, Cabinet Member for Climate Emergency, Jobs and Business and Mark Grant, Assistant Director of Property on Commercial Property Portfolio on the following themes

- Costs of running small businesses post Covid; Commercial properties is a key asset to the councils for revenue generation; 40% funds/income generated from Housing Revenue Account (HRA) assets that are Commercial Units with housing properties above and 60% from General Fund Assets which are larger industrial/commercial units.
- HRA assets with occupied Housing properties above have access issues for repairs. New budget expected to include recently acquired and developed commercial properties and increased revenue from rent reviews due to increase in market rates.
- Annual income for 2025 year £25.5m up from £18m pre-Covid. Reviewing High Street Markets to ensure best value for the units, diversifying to encourage more footfall, review of the lettings policy for commercial properties and discussions on empty units in high streets.

- Void properties less than 3%, reviewing commercial property leases for supporting the Voluntary and Community Sector (VCS). Affordable workplace strategy and using commercial property planning applications to allocate business units for affordable workspaces in the borough.
- Council Covid period Debt and Commercial income; resolutions: payments plans and legal options; Repair in commercial units, rent-review and pragmatic payment arrangements.
- Helping small businesses understand complex law around covenants in plain English and reviewing their circumstances for payment options.

The commission then asked questions on the following topics

- Proportion of properties curated by the council in the high street compared to other boroughs; reassurances on approaching businesses for rent reviews in a timely manner.
- Rent arrears and legal costs to councils; repairs in HRA commercial properties with leaks from above; Disposal of Land and commercial lets from the council.
- Criteria for rent review and market value rates; Communicating to residents regarding access for repairs; Tenants selection, tenants needs, protection of the neighbourhood character and assessment of local impacts.

Councillor Batteson explained to the commission that there have been instances where the council has used its commercial portfolios to save businesses that are important to the community. The council is now conducting rent reviews a lot earlier and covering any backlog of rent reviews from the Covid period.

Mark informed the commission that in instances like the Lloyd's Bank on Warship Lane, which was vacant for a considerable amount of time, disposal of land sale in this scenario has been carried out to bring it into economic development use. Two units in high street have also undergone a similar process. However, in cases of general fund our powers to bring it back into use is diminished as it is contained of a few big assets (under 300) when compared to the ones under HRA (900). Furthermore, the difference in rules between HRA and the General fund means that there is a higher possibility of bringing social and financial value in the latter rather than the former where you need to achieve market rates.

The commission learnt from Councillor Batteson recovering rent arrears by legal means is not the most cost-effective way for the council to recover debt. Commercial Assets in HRA are an income revenue stream. However, repairs carried out by the housing department in HRA assets are also a strain on the HRA funds. The council does provide housing tenants with a guidance pack including points of contact within the council, providing such guidance packs for businesses is a commitment that the council has agreed. Furthermore, Void commercial properties would require a significant investment from the council to bring it back into commercial use.

The commission heard from Mark that disposal of retail assets that are located

under housing assets would not be a viable asset management option, as the retail assets would be on a 999-year lease making it almost impossible to build additional housing on top. Furthermore, accessing houses with leaks over a commercial property is a time-consuming and frustrating process for residents, businesses and housing colleagues.

In addition, it's imperative that repairs for leaks are communicated urgently and effectively to residents due to the amount of significant damage that can happen very quickly. On rent reviews, the rent is assessed based on rules and regulations within the lease agreement, and market value on the end date on the lease agreement. Some leases have indexation like Consumer Price Index (CPI) and Retail Price Index (RPI) which sets the upper limit (the cap) and a lower limit (the collar) on a variable price, like an interest rate or rent. The legislation around Leaseholds is changing and this would mean rents could go up or down, historically rents always gone up. Furthermore, you would have fixed rate increases and wouldn't have CPI linked cap and collar increases. Some tenants might benefit from council indexation and others might have to pay fluctuating market rates; it is important a balance is made to ensure businesses stay open.

The use of lettings agents is important as they are Intune with the local needs of the neighbourhood which then goes out for bids and that it is reflected in the tenant selection process. The planning use for that unit is also shared with bidders and criteria such as business plan, sustainability, track record, startup, other businesses in the areas and not just the highest rent bid. It is important to maintain a blend of financial, economic and social value.

The Chair then highlighted the following areas for recommendations

- The current pilot between housing and waste and a need for a similar pilot between housing and commercial given their relationship
- Backlog of cases where businesses are affected and their experiences (Survey)
- Making it easier for businesses to navigate the council processes
- Need for agility in the council processes when dealing with businesses and their issues they face.

6. YOUTH SERVICES AND POSITIVE FUTURES FOR YOUNG PEOPLE FUND

The commission then received a report from Councillor Portia Mwangangye, Cabinet Member for Leisure, Parks and Young People and Toni Ainge, Director of Leisure, Eva Gomez, Head of Culture and Justine Wilson-Darke, Youth and Play Service Manager on Youth Services and Positive Futures for Young People Fund (PFYPF) covering the following topics

- In-house youth service and commissioned youth service; Youth Centres and Adventure playgrounds (In-house services); Damilola Taylor Centre (DTC) and Kennel playground offer youth programmes

- Youth commissioned service get PFYPF of £1.2m which is given to VCS every two years for sport and culture programmes; Youth Parliament – representative branch of young people who get decision making powers on PFYPF allocation, influencing planning policy and safer Southwark aspects that affect young people
- One-hub website is a conduit for parents to find out what is going with the youth organisations; Youth in-house services being developed to support the upcoming cohort of young people; £500k from the governments youth transformation programme allocated to voluntary youth organisations.
- Southwark Youth Parliament and Young Advisors link to young people to be expanded to include youth interested in getting involved in community programmes.
- Exploring engagement with young people in parks, podcast centres and sports centres like the Burgess Sports Centre which is quite popular.
- Department for Digital, Culture, Media and Sport (DCMS) path finder programme funding £0.5m to be invested by August 2026; Small Grants fund given directly going to young people who want to get into football and can't afford boots, kits etc.; young girls who want to get into fashion or beauty.
- New state of the art equipment, fresh turf for football pitches at DTC; New music production space at the new ventures' youth centre; Capital investment in adventure playgrounds like Ellen Brown.
- Ring fenced funding from positive futures fund for young people who are neurodivergent and have SEND needs.

The commission then asked questions on the following themes

- Supporting families of children having neurodivergent needs and the need for quiet spaces and better training for staff
- Consultation in the report indicate that 33% of youth are not aware of the youth clubs; New funding £0.5m and hurdles in delivering within the timeframe of August 2026

The commission heard from Toni that the council is exploring ways in which playgrounds and parks can be all inclusive and some parks are being considered in having more capital investment for SEND disability needs.

Justine informed the commission that the council is working with a couple of organisations on training staff like Diversity Family Hub and Southwark Resource Centre team. The staff working in these areas have an annual training plan. There are some challenges with spaces in council buildings which are one-room facilities and not appropriate for quite spaces. In addition, resources and child to staff ratio is also a challenge.

Councillor Mwangangye explained to the commission that there is work being done with children services and through the Youth Transformation Programme to identify areas that have SEND children to make it easier to access Youth Clubs, Playgrounds and open spaces.

The commission was informed by Eva that through the DCMS funding, the council is developing social media channels through which they can reach more young people. The team is also working on engaging with young people in-person at school breaks to spread awareness on facilities, adult presence, youth workers being present at these youth centres.

The commission heard from Toni that the council team had to lobby the central government extensively to be granted DCMS funding and has achieved that. However, DCMS funding come with strict rules on where the funding could be used, although the funding can't be directly used in youth centres, it can be used for back-end work which will provide a firm base on which more can be delivered for youth services.

Eva explained to the commission that the DCMS funding will be useful in setting up a young people framework, hiring young researchers and direct involvement of young people in delivering youth projects. Furthermore, working with the local youth VCS sector in delivering challenging aspects in youth services.

7. CABINET RESPONSE TO EDUCATION AND LOCAL ECONOMY SCRUTINY REVIEWS AND RECOMMENDATIONS 2024-2025

The commission discussed the Cabinet response to SEND recommendations on one-to-one support for the EHCP applications, delays in accessing EHCP funding, SEND legislation and SEND provision nationally.

The commission also discussed the expected government white paper on SEND in Autumn 2025.

The commission noted all Cabinet response to recommendations.

8. WORK PROGRAMME 2025-26

The commission discussed possible work programme items

- Southwark 2030 Goals and having a strong economy
- Long term unemployment and getting people back to work
- Southwark Works and Youth Employment Challenges
- Connectivity between local businesses, schools and colleges for youth employment
- Big developers and social values (Local Jobs)
- Graduate jobs down by two-thirds
- Training jobs for young people as available jobs require 2-3 years of experience.

Meeting ended at 9:41 pm

CHAIR:

DATED: