



## **REGENERATION AND LEISURE SCRUTINY SUB-COMMITTEE**

MINUTES of the Regeneration and Leisure Scrutiny Sub-Committee held on Tuesday 29 June 2010 at 7.00 pm at Town Hall, Peckham Road, London SE5 8UB

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**PRESENT:** Councillor Mark Glover (Chair)  
Councillor Dan Garfield  
Councillor Helen Morrissey  
Councillor Paul Noblet  
Councillor Martin Seaton

**OTHER MEMBERS PRESENT:** Councillor Livington

**OFFICER SUPPORT:** Julie Timbrell, Scrutiny Project Manager  
Shelly Burke, Head of Scrutiny  
Tim Thompson Canada Water Project Director  
Adrian Whittle, Head of Culture libraries  
Karen O'Keeffe, Head of Economic Development & Strategic Partnerships  
Graham Sutton, Economic Development Manager

### **1. APOLOGIES**

1.1 Apologies for absence were received from Councillors Situ, Councillor Blango & Councillor Bowman.

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

2.1 There were none.

### **3. DISCLOSURE OF INTERESTS AND DISPENSATIONS**

3.1 There were no disclosures of interests or dispensations.

#### **4. APPOINTMENT OF VICE-CHAIR**

4.1 Cllr Noblet was appointed vice chair

#### **5. CANADA WATER LIBRARY - UPDATE AND FINANCIAL POSITION**

5.1 Cllr Paul Noblet excused himself for this item because he was a former executive member (Cabinet lead) with responsibility for this area. The Chair invited Canada Water Project Director, Tim Thompson, to present on building the Library.

5.2 The Project Director explained that the Library was a key part of a large regeneration masterplan for Canada Water. This masterplan had come out of Southwark Council identifying back in 2001 that there were opportunities to develop the area because of significant land holdings and the arrival of a new transport infrastructure. The area had suffered from significant post industrial decline since the 1970's.

5.3 The council ran an EU procurement process and by 2003 was in negotiation with British Land Canada Water Quays (BLCWQ) – as special purpose vehicle - as the preferred development partner.

5.4 BLCWQ had a team leading the project and this included architects and quantity surveyors. They brought forward the master plan and further engaged with stakeholders, including conducting significant community engagement.

5.5 This resulted in a planning proposal for the public realm projects scheduled for sites A and B of the Canada water masterplan; including detailed proposals for the Library and Plaza, and less detailed proposals for housing and other developments. Planning approval was given.

5.6 The consultant team then became the responsibility of the council and the team underwent some changes to the team responsible for the construction project.

5.7 The construction contract was awarded to ISG Jackson and in June 2009 the construction of the Canada Water Library commenced on site.

5.8 The project encountered some early problems with the substructure. This is a complex project and the floor combines the tube entrance. This substructure blockage caused 14 weeks prolongation. Since then the officer reported that there have been no holdups. The skeleton structure is taking shape and all the floors are nearing completion, and the roof will shortly follow.

5.9 Construction is due to be finished by the end of June 2011, with the public accessing the library by August, ready for a September official opening. The Library is a headline project offering library services, increased study and meeting space as well as very high standards of accessibility.

5.10 Adrian Whittle, Head of Culture libraries, learning and leisure, then gave an update on plans for the new library. He explained that the vision is for a place centred on

adult and community learning with increased opportunities for cultural access. There will be lots of opportunities for adult and family learning and a programme of activities for young people aged 0 – 20 years. The service wants the library to be a hub for the existing communities. The venue is anticipated to be a one stop shop for learning, with social spaces throughout.

- 5.11 Family provision is very good with baby changing facilities. Alongside this there are high standards of access for disabled people, with lifts, toilets and an adult changing area, a first for Southwark Council buildings.
- 5.12 This is green building making extensive use of IT, including free access to internet Wi-Fi in the library and plaza.
- 5.13 The Head of libraries reported that there had been lots of learning from Peckham Library and libraries around the country. Rotherhithe is old and poorly located and this library will be closed once the new library opens. There is also the option of closing this library early to save money.
- 5.14 BEC are based there. Officers have asked them to consider using the new library to continue providing their services as we would like a mixed economy of providers.
- 5.15 The Chair thanked the speakers and invited members to question officers, and initiated discussions by posing a number of questions. The Chair drew attention to point 14 of the tabled report, which details how the Executive approved the sums of £8.5m and £5.6m at the meetings on 13<sup>th</sup> February 2007 and 21<sup>st</sup> October 2008, respectively, making £14.1m in total. He stated he was particularly interested in how the council moved from £8.5 million to over £14 million. The Project Director responded that although Southwark was part of the steering group at the time the forecast was made that the library would cost £8.5 m to construct, the council was not directly managing the project. The quantity surveyors made errors in estimating the costs. In the run up to the planning stage officers had concerns. When the consultancy team moved in house they moved under the council's direct control and changes were made to the personal.
- 5.16 The Project Director went on to explain that originally the council was targeting early 2010 for completion. The library was one aspect of an overall master plan leading to a complex deal taking place in a very difficult economic climate. The development site was chosen for sound urban design reasons; located near the tube and close to areas suitable for high density housing. The library drove up the land value because it made the area more desirable, generating high level capital receipts for the council. Some of this is being ploughed back into this phase of the library. The tenders that came back were in the high range, however the quality of this project sets the tone for future regeneration and this enables us to generate financial benefits for Southwark
- 5.17 A member requested more explanation on the 'Value Engineering' requirement? The Project Director explained that during the tender stage there was a list of items identified that money could be saved on and these totalled £1million. We are working with the design team to crystallise all the construction savings.

- 5.18 A member asked about ongoing risk to the budget. The Project Director stated that from the outset the biggest potential risk was identified to be the substructure, and that has now been resolved.
- 5.19 Members asked at what point the council could have pulled out. The Project Director explained that the library was a key part of the urban design and wider regeneration project, and this would have made it difficult to pull out of without jeopardising the wider deal and severely impacting on timetables.
- 5.20 A member asked how confident and comfortable are you that this variance is at its largest? Could the project lead to additional costs that the council would find it hard to cover? How confident are you that costs would not raise further? The Project Director responded that while he could not give a guarantee because the nature of the project means that it is technically challenging he believes that they are beyond the major risk. He assured members they are proactively managing the construction and there are elements that officers will be looking at for financial change.
- 5.21 A member asked if the library had been scrutinised before. Shelly Burke, Head of Scrutiny, responded that there had been a couple of questions posed under 'executive questions' but no specific review.
- 5.22 There was a query from a member asking if the council could claim compensation for errors in the quantity surveyor's estimate? The officer responded that this is very difficult to prove as the threshold is high; the council would need to prove negligence and financial loss. The other option would have been to go back to the drawing board and ask the architects to submit a new design, but the knock on effects would have been high as it would have affected the masterplan and tendering. A member asked if the legal route of pursuing compensation was still an option. The Project Director responded that there are financial risks associated with legal action, a substantial case would need to be established, and however we have not closed this door.
- 5.23 Members enquired if the costs can be contained and requested reassurance that the figures will be kept within the projections. The Project Director replied that we have significant project management tools in place, and significant team expertise. Moreover the biggest risks were underground and we have now overcome these.
- 5.24 The Chair made strong recommendations that the project keep within budget and that it opens on time.
- 5.25 Members moved on to considering the revenue costs and enquired whether the annual running costs of £1.1 million offered a gold plated service or if this is a reasonable amount? Clarification was requested on the number of librarians employed at the new library and also the number currently employed at the Rotherhithe library?
- 5.26 The Head of libraries confirmed that there are 4.5 full-time equivalent staff employed at the old library. The new library will employ 32 full time equivalent staff across the week. Savings have been made by increasing self service options. All but 2 would be front line staff.
- 5.27 Officers were asked about the recruitment timetable. The Head of libraries stated

that the Library manager and Programme and events manager would be the two initial posts that would be recruited. He also stated that these are reasonable costs and that repairs and maintenance had been budgeted for early.

- 5.28 There was a query on the library revenue budget and an explanation was requested for item 'NNDR'? It was explained that these were non domestic rates.
- 5.29 The Chair asked if you had to make 10% cuts what would you do. He further asked if you would consider reducing opening hours. The officer advised that options for savings would be brought to members. He confirmed that reducing opening hours could be amongst these but pointed out that this also reduces the opportunity to generate income and saves little on running costs. Officers are also looking to maximise income from the cafe and have been approached by a number of high street providers, but would not like to exclude local providers.
- 5.30 There was a query about competition and undermining the plaza shops and cafes. The officer responded that the library, plaza and retail units have always been seen as complementary to give the centre a buzz.
- 5.31 A member asked if the committee could do some modelling to look at how the space could be used by the community. The Project director explained that some of the site comes to us for community use for a peppercorn rent. We have been considering how much space should be allocated for commercial use, given the amount offered by the library and plaza and whether this should be offered up for commercial use to increase commercial yield. The officer advised members to bear in mind that this is a mature design so changes to the physical structure would probably add costs.
- 5.32 The Project Director said that there are place making opportunities and welcomed a visit by the committee members to view and visit the library and plaza. This was agreed by members. Furthermore it was agreed that this would help with planning out further work. Members would undertake the visit and then meet to scope out the work and advise officers of further documentation that would help their review.
- 5.33 A member commented that she would like to give consideration to how organisations such as Learn Direct could contribute to the delivery of the library services.
- 5.34 Cllr Livingston commented that there are massive financial challenges facing the council and we could be looking at 25% cuts. He reported that he will need to justify these costs and consider knock on effects; an example of this might be the community libraries.
- 5.35 A member commented that he understood that the library will have a positive effect on wider land values and it would be good for scrutiny to look at the evidence for this. The Project Director commented that the financial gains will be generated on the capital side, rather than increasing revenue – in terms of being a beacon to regenerate the area.

RESOLVED

The minutes from this meeting will go to the cabinet.

A site visit will be arranged for the committee to tour the library and plaza with the Project Director and Head of Culture libraries, learning and leisure. The Scrutiny Officer will contact members of the Committee with a suitable date.

## **6. SOUTHWARK EMPLOYMENT & ENTERPRISE STRATEGIES**

- 6.1 Karen O’Keeffe, Head of Economic Development & Strategic Partnerships and Graham Sutton, Economic Development Manager presented the strategy document. Officers commented that many of the significant partners are not council providers. This strategy is a refresh, we are expanding on the key issues but the priorities remain the same. The draft plans are early documents.
- 6.2 The Chair commented that one of the roles that Scrutiny can do is monitor the deliver of plans by providers.
- 6.3 The Economic Development Manager said that one of the first things officers first did was check the baseline data. The economy has expanded rapidly: in 1998 – 2007 it increased 35%. The main reason is an increase in business services
- 6.4 The borough has over 50% of the population employed at higher levels as well as an increasing number of people employed at lower levels. The proportion of working age people claiming benefits is higher than the London average and increasing because of the economic situation. 43% of the population have a degree, which is higher that the London average. There is a persistent pool of NEETS (young people not in employment or education or training).
- 6.5 The priorities are to tackle barriers to work through working with business and employers; raise the skills of local people; support business across the Borough; support regeneration across the Borough and create an enterprise culture and increase business start ups.
- 6.6 A member commented on the economic polarisation in the Borough. Another member commented that people in his wards are losing jobs in the city; however most seem to be able to move onto new jobs or other types of employment fairly easily.
- 6.7 A member enquired how the cut in Working Neighbourhood Fund had affected Southwark. The officer responded that central government asked the Council to return around £700,000 of £7,000,000.
- 6.8 A member commented that it would seem sensible to get our business partners

and voluntary partners involved. The officer agreed and commented that the Council has a small role in delivery compared to agencies like Job Centre Plus who have a budget of around £20, 000, 000, and we may be able to influence their priorities.

- 6.9 A member commented that there are some people with relatively simple needs to enable them to re-enter the job market, but other people have with complex issues and barriers. Can agencies like job centre plus work more with these clients as Working Neighbourhood Funding drops off?
- 6.10 A member noted that it would be good to analyse the effectiveness of the programme, for example can we measure the impact on places like Peckham? Can we focus on specific areas of the Borough and look at education and recruitment opportunities?
- 6.11 The officers commented that the Council does not have direct control over many of the partners. It is a very complex programme. Southwark Works sets out to simplify and unify this for people and also ensure that people can get help with intermediate issues such as housing or mental health issues.
- 6.12 A member noted that there are many people living in more affluent wards who are doing jobs that pay low wages and he would like to see an investment in education and training. The importance of children getting 5 A to C at GCSE was noted as well as the importance of encouraging city based employers to employ local people.
- 6.13 The Chair said that we need to do more to reduce inequalities between richer and poorer areas. He enquired if we are supporting business in Peckham, Camberwell and Walworth and said that he would like to see a focus on those areas which are not performing so well. He raised concerns that town centre management seems to be declining through a lack of business support services.
- 6.14 Members requested a focus on multiple deprivation factions and the economic drives' across the Borough that will promote more equality. It is important that areas such as Camberwell, Peckham and Walworth move economically closer to areas such as Borough and Bankside.
- 6.15 A member noted that he would like to see a more focused strategy and that the present plan was too broad.

#### AGREED

Members recommended that officers note the comments made during the meeting and in particular focus the strategy more on the employment and enterprise needs of the most deprived areas in the Borough; with particular reference to Camberwell, Peckham and Walworth

They also noted that they would like the strategy to come back and would also invite delivery partners to attend to report on action and progress on the ground, with particular reference to outcomes (both achieved and anticipated) for Camberwell, Peckham and Walworth.

## **7. WORK PROGRAMMING AND SCOPING**

- 7.1 The committee will continue with a review of Canada Water. A visit will take place over the summer with follow up at October committee meeting – this will look at the wider issues including resource implications, use of library and wider use of community spaces; including the plaza.
- 7.2 Employment and Enterprise strategy and delivery plans will return to the committee and partners will be asked to present on progress. , with particular reference to outcomes (both achieved and anticipated) for Camberwell, Peckham and Walworth. This will be scheduled for the February meeting.
- 7.3 There will be an update and spotlight review of Olympics in October .
- 7.4 There will be a question and answer session with Cllr Ward, Cabinet member for culture, leisure, sport and the Olympics in October.
- 7.5 Update and review of Aylesbury Regeneration Scheme in November.
- 7.6 The Chair requested that a report be presented detailing regeneration funding spent locally over the last 5 years , including funds generated by Section 106 and grants made available under 'Cleaner, Greener , Safer', with mapping to assess where money has been spent by Community Council area , with particular reference to considering how this money has impacted on employment and enterprise. This will be presented at the November meeting.
- 7.7 There will an update and review of 'Town Centre strategies' ; with particular reference to Camberwell, Peckham and Walworth in February.

**CHAIR:**

**DATED:**