

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	