



REGENERATION AND LEISURE SCRUTINY SUB-COMMITTEE

MINUTES of the Regeneration and Leisure Scrutiny Sub-Committee held on Tuesday 30 November 2010 at 7.00 pm at Town Hall, Peckham Road, London SE5 8UB

PRESENT: Councillor Mark Glover (Chair)
Councillor Columba Blango
Councillor Catherine Bowman
Councillor Dan Garfield
Councillor Helen Morrissey
Councillor Martin Seaton

**OTHER MEMBERS
PRESENT:**

OFFICER Julie Timbrell, Scrutiny project manager
SUPPORT: Adrian Whittle, Head of Culture, Libraries, Learning and Leisure
Simon Bevan, Interim Head of Planning and Transport
Geri Mcleary, Aylesbury Programme Director

1. APOLOGIES

1.1 Apologies for absence were received from Councillor Paul Noblet. Councillor Catherine Bowman sent apologies for lateness.

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 Councillor Martin Seaton declared a non-prejudicial interest as a resident on the Aylesbury Estate.

4. MINUTES

4.1 The minutes of 13 October 2010 were agreed as an accurate record.

5. CABINET QUESTIONS WITH CLLR VERONICA WARD, LEAD MEMBER FOR CULTURE, LEISURE, SPORT AND THE OLYMPICS

5.1 The lead member for culture, leisure, sport and the Olympics, Councillor Veronica Ward, drew members attention to the written answers and the chair invited supplementary questions. [The written answers, tabled at the meeting, are attached to the minutes]

5.2 A member referred to question 1 on the impact of the coalition cuts and asked the cabinet lead about any areas of her portfolio she may be particularly concerned about with the impending cuts? The cabinet lead responded that sports for young people is under particular budgetary pressure. The end of Working Neighbourhood Fund monies will impact on the delivery of the community games programme and the Southwark Community Games; Southwark Sports Action Zone will end this March ; Southwark has two sports partnerships and Sport England has received a budget reduction of 30%. The cabinet lead pointed out this was on top of the revenue cuts.

5.3 A member stated he was disappointed, and shared the cabinet lead's concern. He stated that sports play an important role in cultivating a healthy community and requested that sports provision remain priority. The cabinet lead responded that with the shrunken pot now available it will be difficult, however partners such as schools, the community games and the sports partnerships have been encouraged to talk to each other.

5.4 Another member urged the cabinet lead to write to the secretary of state about the cuts. The cabinet lead stated that she had already written to the secretary of state, and had particularly raised the issue of funding for the schools sports partnerships.

5.5 A member thanked the cabinet lead for her response to question 6 which asked for her opinion on the proposed Elephant and Castle Leisure centre consultation.

5.6 The cabinet lead stated that an outline plan for the centre, guaranteeing a swimming pool, had been agreed with cabinet. Everybody who contributed to the consultation phase had been emailed and the council was very pleased with the response level it received.

5.7 A member asked if a squash court had been in the consultation. The cabinet lead responded it was not at the top of the list of the most requested

facilitates. There was a further query on if squash courts had been on the check list and the number of responses. Adrian Whittle, the Head of Culture, Libraries, Learning and Leisure responded that the squash courts had not been on the check list, but there had been an opportunity for respondents to make suggestions. 52 people suggested squash courts and this was the highest number in the open section. The cabinet lead responded that the design has not been finalised and she would take away these comments, bearing in mind the financial constraints.

- 5.8 A member referred to question 18 where she had enquired about a report on youth clubs and facilities. The member commented that this report contained a map which detailed current provision and how far young people will travel. The member reported that it was a very useful report that would be good to utilize. The cabinet lead commented that they have a new head of youth and the council is looking at provision for young people in the Camberwell Leisure Centre.
- 5.9 A member referred to question 2, which asked if the possible refurbishment of Newington Reference Library would be affected by the possible sale of Walworth Town Hall. The member said she was given to understand that an architect had developed proposals and there had already been investment in drawing up plans for the library's refurbishment. The member requested that these plans were revisited. The cabinet lead stated that the council could revisit the plans and this programme would be considered alongside other possible capital schemes.
- 5.10 A member asked why the council was still consulting on future plans for Southwark Park Athletics track. The cabinet lead responded that despite the lack of identified funds the track was a crumbling facility that the council needed to consider. A member commented that he understood there had been a technical mistake in the planning application and but asked if the funds were still available. The Head of Culture, Libraries, Learning and Leisure explained that the cuts had meant that these funding streams had now ended and the match funding was dependant on these. The council has been advised we cannot put the same application in. A member referred to strong objections and other members commented that there is a need to take a decision in the best needs of the whole community.
- 5.11 There was a supplementary question about the Olympics following on from question 14 and 20. The Head of Culture, Libraries, Learning and Leisure shared the new London 2012 project structure [attached to the minutes]. A member commended the structure and the focus it gave, while another member queried the costs of this structure. The cabinet lead commented that there had been working groups before and these had been revitalised because it is important that we maximise the outcomes through clear action

plans. There is a big push to get investment in the velodrome in Dulwich and it looks like a community trust may be set up and links with the Olympics will be explored.

6. UPDATE AND REVIEW OF AYLESBURY REGENERATION SCHEME

- 6.1 Geri McLeary, Aylesbury regeneration programme director (interim), introduced the report on the Aylesbury regeneration programme. He explained that the report had been written before the recent news had been received from the government about the planned curtailment of Private Finance Initiative (PFI) funding. The Homes and Communities Agency (HCA) recently informed the authority that funding from the Private Finance Initiative, in the current government spending round, will no longer be available for any regeneration projects whose outline business cases have not yet been approved. This decision will affect 13 authorities across the country, including Southwark Council's Aylesbury PFI housing project.
- 6.2 The director confirmed that those PFI projects further along in the PFI approval process, i.e. projects that have already had their Outline Business Case approved, and are in procurement, will continue to receive funding, subject to demonstration of value for money.
- 6.3 The director indicated that the government's decision on the Aylesbury PFI pipeline project came as a complete surprise but the government has indicated that there may be a, albeit small, possibility of some continued funding for the pipeline PFI housing projects.
- 6.4 An update was given on the report circulated and emerging proposals to keep the regeneration scheme on track. Phase 1a is being developed by London & Quadrant and will deliver a new Southwark Resource Centre (replacing the old adult day centre for disabled people) and 261 new homes comprising:
- fifty-two in 2011 (37 homes for social rent and 15 for intermediate uses)
 - one hundred and forty-nine in 2012 (51 homes for social rent and 15 for intermediate uses, 83 for sale)
 - sixty in 2013 (13 homes for social rent, 3 for intermediate uses and 44 homes for sale)
- 6.5 The new homes delivered by this part of the scheme have been ring fenced for Aylesbury tenants. If they are not required by local residents with the appropriate Homesearch banding status then they will be opened up to other people on the list. People in band 1 have been invited to express an interest.
- 6.6 The director explained that the Aylesbury regeneration programme is a

huge and complex programme which relies on a number of different funding streams to push it forward. The Private Finance Initiative (PFI) was set to deliver 360 social homes for rent. The PFI would have acted as a catalyst for a further 583 homes, which when added to the original amount would have created 22% of the 4,200 homes to be delivered under the total Aylesbury regeneration programme.

- 6.7 The project remains underpinned by the Aylesbury Action Plan, which currently requires that 37.5% of the homes built on site must be for social rent, and 12.5% need to be available for intermediate (shared ownership).
- 6.8 The director indicated that that they are using the business case developed for the PFI proposal to look at other funding opportunities because the council does have funds set aside to buy out leaseholders so the sites could be cleared for development.
- 6.9 The chair then invited questions. Members asked how much had been cut from the Social Housing Grant and the director responded that around £2.2 billion had been cut nationwide.
- 6.10 A member asked the director if an earlier submission of the PFI project outline business case would have secured the funding. The officer replied this may have been the case; however the council was not in a position to do so. 13 other authorities are in the same position. Members asked for a list with indicating authorities in the same position be circulated (this information is given at the end of the section).
- 6.11 A member asked what options are there available for funding future regeneration on the Aylesbury if government funding is not available. The director responded that the ratio of social housing to private housing for some sites had been set at 59 % to 41 % for the early phases and this metric may need to be revisited for more marginal sites comprising the programme if more capital investment is needed. This should not affect the overall aim to deliver 50 % affordable housing. Other options that are available under new central government policy are to invite Registered Social Landlords to submit schemes where tenants would be charged up to 80% of market rent; however the administration will need to consider if this is an option it wants to pursue. A member commented on the affordability and desirability of 80% market rents.

6.12 Members asked some detailed questions about particular blocks and requested a map, pasted below:



6.13 Some tenants and home owners on sites 7 (Missenden 300-313) and 10 (Wolverton1-59) have already moved and the director reported the council are speaking to the rest about their rehousing needs and options. The council are looking to continue with the existing rehousing plans for sites 1b (Bradenham 42-256, Chartridge 1-105) and 1c (Arklow 1-28, Chartridge 106-149, Chiltern 1-172). However, it will not be starting rehousing for sites 8 and 9 (Taplow 1-215, Northchurch 1-76, East Street 184-218) for the time being while it develops a new plan.

6.14 Members asked about the costs associated with vacant possession, for

example buying back leaseholds. The director indicated that it had cost the council around £22 million for site 1b. The council has a ball park figure of £13 million for leasehold purchases on site 8 & 9.

- 6.15 The chair thanked the director for his report, presentation and for answering questions.
- 6.16 The information on requested on PFI housing projects in the pipeline is given below:

Support for housing PFI projects

The Department's 2010 Spending Review Settlement provides funding for all Housing PFI projects under contract and in procurement but no funding for pipeline projects.

Projects in procurement

The Department will continue to support Housing PFI projects in procurement, subject to rigorous demonstration of value for money. We currently expect this assessment and decisions on individual projects to be made in December.

Projects in procurement will also be subject to normal PFI approval processes and requirements.

Housing PFI projects in procurement are:

Local Authority	Project
Derby City Council	Social Rented Housing
Kent County Council	Excellent Homes for All
Kirklees Metropolitan Borough Council	Excellent Homes for Life
Lambeth London Borough Council	Myatts Field North
Leeds City Council	Little London
Leeds City Council	Beeston Hill & Holbeck
Manchester City Council	Brunswick Estate
North Tyneside Metropolitan Borough Council	Older People Homes for the Future
Oldham Metropolitan Borough Council	Gateways to Oldham
Salford City Council	Pendleton Estate

Stoke-on-Trent City Council	Extra-Care Housing
Wiltshire County Council	Social Rented Housing
Woking Borough Council	Priority Homes

Pipeline projects

Housing PFI pipeline projects i.e. those projects where the OBC has not yet been approved by the Department and HM-Treasury's PRG, do not have funding provision and therefore cannot continue to receive Departmental funding support.

Pipeline Housing PFI projects are:

Local Authority	Project
Birmingham City Council	Lyndhurst Estate
Cheshire East Council and Cheshire West and Chester Council	Extra-Care Housing
Camden London Borough Council	Gospel Oak Regeneration
Cornwall County Council	Extra-Care and General Needs
Hull City Council	Orchard Park Estate
Leeds City Council	Lifetime Neighbourhoods
Manchester City Council	Collyhurst Estate
Northampton Borough Council	Eastfields and Thorplands
Nottingham City Council	Meadows Estate
Portsmouth City Council	Somerstown Estate
Shropshire County Council	Extra-Care Housing
Southwark London Borough Council	Aylesbury Estate
Stoke-on-Trent City Council	Suburban Estate

will be given in particular over the course of the SR10 period to possible means and prospects to support local authority-led estate regeneration schemes including through non-PFI mechanisms. However we do not wish to raise any expectation of alternative funding at this time given the Department's tight SR10 capital and resource funding settlement.

Authorities with pipeline projects are asked to be aware that the Department may be able to consider their Outline Business Cases in the event of any further resources being made available in the latter part of the Spending Review period or a bid being made for PFI funding in the following Spending Review.

However, whether it is worth local authorities continuing to invest in developing their plans for possible future PFI or non-PFI funding routes will be a decision for each authority to consider and take at its own risk.

The HCA will be in direct contact and liaise with local authorities that have Housing PFI projects in procurement or pipeline projects.

7. REGENERATION FUNDING SPENT LOCALLY OVER THE LAST 5 YEARS

- 7.1 Simon Bevan, Interim Head of Planning and Transport, explained that because of the adverse weather conditions officers from Economic Development & Strategic Partnerships were unable to attend and they sent their apologies. However he would do his best to answer questions or get officers to respond to quires following the meeting.
- 7.2 The Head of Planning and Transport explained that section 106 money is generated by large scale developments. There is a levy and this money must be used to reduce any adverse impacts.
- 7.3 There will be some community councils areas where there are very few large scale developments going on; for example Dulwich. Developments may not reach the threshold of 10 units and even a 20 or 30 unit development will not yield much funding.
- 7.4 The officer explained that the council planning documents set out our criteria and policies and the council has been very successful in generating section 106 money. The council refuses planning applications where it considers that the section 106 provision is inadequate. This gives the council a robust negotiation position.
- 7.5 A member commented that Cleaner, Greener, Safer money could provide an opportunity to rebalance regeneration spending. There was a request for more information on the criteria used.

- 7.6 It was noted by a member that there had been specific regeneration programmes in areas that had attracted less Section 106 money , for example the Peckham Programme and regeneration around Bellenden.
- 7.7 The Head of Planning and Transport indicated that there may be opportunities to increase capital investment in the Peckham and Nunhead area by utilising potential development sites. These have lower land values than some areas lying closer to the city, so the section 106 yield would be lower, however development could contribute to regeneration.
- 7.8 There was a query on the new homes tariffs and whether this provided an opportunity for investment in community infrastructure.
- 7.9 Members noted the amount of regeneration spent on Elephant and Castle and the Aylesbury and requested further details and information on outcomes.
- 7.10 There was a query on Tax Increment Financing from a member. The Interim Head of Planning and Transport explained that this had been introduced to enable investment in infrastructure projects that could create value and drive up tax receipts from councils tax and business rates. Councils would be able to borrow money on the basis of projected receipts. Member requested more information on this.
- 7.11 Members noted that Borough and Bankside has received £264,070 through the 'Improving Local Retail Environments' whereas other areas had received under £20,000 .More information on the reasons for this were requested.
- 7.12 The Chair proposed that Cleaner, Greener, Safer money, and other funding sources were looked at to consider how inequality could be reduced and regeneration imbalances redressed.

RESOLVED

The committee resolved to look at opportunities to rebalance regeneration spending so that poorer areas are invested in and to ensure that regeneration spending is not concentrated on the richer areas.

Officers were asked to return with the following information:

1. Provide more detail of what has been included in the figures for expenditure on the Walworth area, with particular regard to spending on Elephant and Castle and Aylesbury. Details should relate to particular regeneration

projects and outcomes in concrete term.

2. Provide more detail, including the criteria, on the Improving Local Retail Environments programme especially why it is mainly spent in Borough and Bankside.
3. Provide more information on Cleaner, Greener, and Safer (CGS) funds, including the criteria used to set the amount of funds allocated to each community council area including clarity on if the funding levels relate to number of wards in the community council area. Explain why Peckham has the lowest expenditure/ allocation. The Chair suggested that discretionary allocations such as CGS could be used to rebalance the pattern of s.106 spending.
4. Provide a briefing on Community Infrastructure Levy (CIL) and whether this provides opportunities to spread regeneration spending more evenly across the borough (or more targeted at areas of need) than can be achieved with s.106
5. Provide a briefing on Tax Increment Financing (TIF) and whether there is potential to use this in Southwark and again achieve more even spend or spend which is more targeted at need.

8. WORK PROGRAMME

<p>2 February 2011</p>	<p>Olympic strategy and delivery plans will return to the committee with an updated action plan with clear outcomes, based on resources that will now be available following the cuts. The Olympic legacy will be determined with key benefits indicated in concrete terms, particularly:</p> <ul style="list-style-type: none"> i) How young people , for example school parties can attend the Olympics, particularly those who cannot afford tickets ii) Aspirations in terms of health iii) How will be the economic benefits be maximised , for example the East London line and tourism iv) What are the volunteer plans , particularly in relation to skills v) Links to Southwark Community Games
<p>2 February 2011</p>	<p>There will an update and review of 'Town Centre strategies' ; with particular reference to Camberwell, Peckham and Walworth</p>

<p>2 February 2011</p>	<p>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</p>
<p>2 February 2011</p>	<p>The committee resolved to look at opportunities to rebalance regeneration spending so that poorer areas are invested in and to ensure that regeneration spending is not concentrated on the richer areas.</p> <p>Officers were asked to return with the following information</p> <ol style="list-style-type: none"> 1. Provide more detail of what has been included in the figures for expenditure on the Walworth area, with particular regard to spending on Elephant and Castle and Aylesbury. Details should relate to particular regeneration projects and outcomes in concrete term. 2. Provide more detail, including the criteria, on the Improving Local Retail Environments programme especially why it is mainly spent in Borough and Bankside. 3. Provide more information on Cleaner, Greener, and Safer (CGS) funds, including the criteria used to set the amount of funds allocated to each community council area including clarity on if the funding levels relate to number of wards in the community council area. Explain why Peckham has the lowest expenditure/ allocation. The Chair suggested that discretionary allocations such as CGS could be used to rebalance the pattern of s.106 spending. 4. Provide a briefing on Community Infrastructure Levy (CIL) and whether this provides opportunities to spread regeneration spending more evenly across the borough (or more targeted at areas of need) than can be achieved with s.106 5. Provide a briefing on Tax Increment Financing (TIF) and whether there is potential to use this in Southwark and again achieve more even spend or spend which is more targeted at need.

CHAIR:

DATED:

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