

OVERVIEW & SCRUTINY COMMITTEE

MINUTES of the Overview & Scrutiny Committee held on Wednesday 1 June 2011 at 7.00 pm at Town Hall, Peckham Road, London SE5 8UB

PRESENT:

Councillor Catherine Bowman
Councillor Gavin Edwards
Councillor Dan Garfield
Councillor David Hubber
Councillor Tim McNally
Councillor Victoria Mills
Councillor David Noakes
Councillor the Right Revd Emmanuel Oyewole
Councillor Mark Williams
Colin Elliott

**EDUCATION
REPRESENTATIVES:**

Colin Elliott, Parent Governor

**OTHER MEMBERS
PRESENT:**

Councillor Fiona Colley

**OFFICER
SUPPORT:**

Eleanor Kelly, Deputy Chief Executive
Stephen Platt, Head of Housing
Jeremy Pilgrim, Head of Housing
Simon Price, Herbert and Smith
Shelley Burke, Head of Overview and Scrutiny
Karen Harris, Scrutiny Project Manager

1. APOLOGIES

- 1.1 Apologies for absence were received from Councillors Andy Simmons and Toby Eckersley. Councillors Helen Morrissey and Lewis Robinson attended as reserves.

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. MINUTES

RESOLVED:

That, subject to the addition of Councillor Dan Garfield to the attendance list for the March meeting, the minutes of the meetings held on 21 March and 18 April 2011 be agreed as accurate records.

5. CALL-IN: ELEPHANT & CASTLE REGENERATION - SHOPPING CENTRE (CABINET DECISION 17 MAY 2011)

5.1 The chair welcomed Councillor Fiona Colley, cabinet member for regeneration and performance.

5.2 Councillor Tim McNally outlined the three main concerns which had led to the call-in:

- The original vision for the Elephant and Castle had been a coherent new town centre, to be achieved in part through the demolition of the existing shopping centre. The proposed agreement with St Modwen's seemed to represent a significant departure from this plan.
- The success of the overall scheme was dependent on an integrated transport offer. This did not appear to have been taken into account.
- The council had not been to the market on this development plan and might be challenged on procurement grounds.

5.3 Councillor Colley confirmed that the agreement made with St Modwen's was a "cooperation agreement" which formed the basis of bringing the shopping centre owners into the discussions for the Elephant and Castle regeneration. She felt that this would lead to a more integrated approach overall.

5.4 On transport, Councillor Colley confirmed that there was currently no agreement with TfL about the Elephant and Castle. It was not possible for the original scheme to go ahead because of traffic flow issues. Therefore a new solution to transport would need to be found. Including St Modwen's in discussions would help all partners to move forward to find a solution to the transport needs for the scheme and to discuss the possibilities for financing this.

5.5 In response to questions Councillor Colley explained that the agreement with St Modwen's was an overall cooperation agreement which did not commit the council to a specific solution for the shopping centre.

- 5.6 The ideas for redevelopment currently on the table showed how thinking had moved on since the development of the original masterplan for the Elephant and Castle. At that time demolition had seemed like the best option but there were now proposals which could make significant redevelopment, keeping the core of the original building, a realistic solution. Councillor Colley confirmed that she had reached this view having seen the ideas proposed by St Modwen's.
- 5.7 Councillor Colley confirmed that it had always been the preferred option to bring St Modwen's into the negotiations. The cooperation agreement did not represent a shift in the ability of the council to achieve a solution for the shopping centre.
- 5.8 Any specific plans for the shopping centre which came forward as a result of the cooperation agreement would be subject to the usual consultation mechanisms and need to comply with the policy objectives for the site, in particular the permeability between the shopping centre and Heygate estate.
- 5.9 Members asked why the redevelopment option was preferable to demolition. The head of property explained that the retention of the core and foundations for the site would substantially reduce costs. It would also facilitate a phased approach which could take place over two years and that during that time some elements of the centre could keep trading.
- 5.10 It was confirmed that if the council did not like the plans that came forward as a result of the cooperation agreement it had the power to revert to the original plans.
- 5.11 Members requested information on the timetable in place and whether the CPO fall-back still existed. They were informed that there was currently no specific timetable for individual schemes within the overall cooperation agreement
- 5.12 It was anticipated that what the cooperation agreement provided was greater transparency and some comfort for investors which made it more worthwhile for them to bring forward their plans.
- 5.13 Officers explained that detailed planning applications were expected next year.
- 5.14 Councillor Colley told members that she hoped the cooperation agreement would result in plans which accelerated the shopping centre to phase 2 of the overall development.
- 5.15 Members asked for clarity over the position on CPO of the shopping centre and received confirmation that this fall-back remained. However several tests would need to be undertaken before a CPO order was made, including planning consent, commercial viability and that the landowner did not have a viable scheme.
- 5.16 Officers explained that CPO was an unlikely option at this stage on the grounds of commercial viability, as shopping centre investments of this type were not currently popular.
- 5.17 Councillor Edwards enquired whether there were environmental benefits to a redevelopment rather than demolition of the shopping centre and this was

confirmed.

- 5.18 Members enquired about negotiations with TfL over the transport element of Elephant and Castle. It was confirmed that the former escalator and road scheme was neither technically nor financially viable but that TfL were engaged in discussions. Having St Modwen's involved as an active partner was seen as critical to effective transport discussions.
- 5.19 It was expected that an integrated solution which took the pressure off the northern line would come forward before 2012.
- 5.20 Councillors queried whether the original vision for the shopping centre was being diluted because of pressure to find a solution which was economically viable in the current climate.
- 5.21 Councillor Colley confirmed that the scheme retained the ambitions for a shopping centre, but that there had never been an expectation of a retail offer on the scale of the Westfield development in West London.
- 5.22 Councillors pointed out that the shopping centre provided an opportunity as a regeneration tool, attracting people to this part of the borough.
- 5.23 Members discussed the commercial viability of the shopping centre. Officers explained that the cooperation agreement enabled Lend Lease and St Modwen's to operate together to ensure the best balance of retail across the regeneration area and that St.Modwen's were making a significant investment in the centre which they would not be putting forward unless it was commercially viable.
- 5.24 A discussion took place on what protection existed for the shopping centre tenants who might be affected if the shopping centre closed for redevelopment. Councillor Colley explained that this level of detail had not yet been reached in discussions, but a phased approach, which redevelopment rather than demolition could facilitate, was more likely to provide safeguards for existing tenants.
- 5.25 Members enquired whether the proposed redevelopment option for the shopping centre affected the viability of the development of the old Volvo site. It was confirmed that the affordable retail development on the old Volvo site was going ahead and was not affected by the shopping centre discussions.
- 5.26 Members discussed the transport issues around the Northern Roundabout. Councillor Colley confirmed that it appeared that the peninsular idea could not now go ahead. It was not clear at the moment to what extent this decision is technically driven and to what extent politically driven.
- 5.27 It was confirmed that meetings have been requested with the Mayor's office to discuss the next steps on transport issues.
- 5.28 It was moved, seconded and

RESOLVED:

That the meeting move into closed session and the press and public be asked to leave.

- 5.29 The chair referred to the detailed legal advice received from the law firm Herbert Smith. Members asked questions about the risk of legal challenge and any changes to this arising from the new cooperation agreement. The chair thanked Herbert Smith's representative for attending the meeting and requested that in the future, in the interests of saving money, the committee receive earlier advice from in-house lawyers.
- 5.30 Members received information about the transfer of land which was part of the new arrangements with St Modwen's.
- 5.31 The meeting returned to open session.
- 5.32 Councillor David Hubber moved a motion to refer the Elephant and Castle decision back to cabinet with the following recommendations
1. That the cabinet enters into fresh negotiations with the developers with a view to securing the demolition of the existing shopping centre and the creation of a new town centre development, as per the previously agreed plans for the area.
 2. That the cabinet member publishes, for further scrutiny, a detailed and itemised estimate of the different costs involved in demolition and rebuild as compared with the proposed refurbishment.
 3. That the cabinet member and the leader of the council continue to press Transport for London and the Mayor to secure commitment to implement the transport aspects of the plan for the Elephant and Castle area.
 4. That, should the cabinet reaffirm their decision, they ensure that they retain viable and practical powers to compulsorily purchase and demolish the shopping centre, should the agreement with St Modwen not meet its targets.
- 5.33 The motion was seconded, put to the vote and not agreed.
- 5.34 Councillor Gavin Edwards moved an alternative motion which was seconded, put to the vote and agreed.

RESOLVED:

1. Overview & Scrutiny Committee welcomes the decision to work in cooperation with St Modwen's and to accelerate the regeneration of the Elephant and Castle shopping centre. This decision will retain and improve the Council's vision of developing a coherent town centre and could dramatically enhance the regeneration scheme.
2. Accordingly, that the decision not be referred back to the cabinet and therefore can be implemented with immediate effect.

6. SCRUTINY ARRANGEMENTS FOR 2011/12

- 6.1 The chair suggested that chairs of sub-committees take soundings from their members on provisional scrutiny topics for the year and report back to the meeting of the Overview & Scrutiny Committee on 13 June 2011.
- 6.2 Members noted the need to consider the budget saving required from scrutiny and agreed that this should be discussed further at the next meeting.

RESOLVED:

1. That the following five scrutiny sub-committees be constituted for the municipal year 2011/2012, each composed of four labour members and three liberal democrat members:

Education & children's services

Environment, transport, communities & citizenship

Health & adult social care

Housing & community safety (with responsibility for crime and disorder within the meaning of section 19 of the police and justice act 2006)

Regeneration & leisure

2. That chairs and vice-chairs be appointed as follows:

Education & children's services

Chair: Councillor David Hubber

Vice-Chair: Councillor The Right Revd Emmanuel Oyewole

Environment, transport, communities & citizenship

Chair: Councillor Dan Garfield

Vice-Chair: Councillor Geoffrey Thornton

Health & adult social care

Chair: Councillor Mark Williams

Vice-Chair: Councillor David Noakes

Housing & community safety

Chair: Councillor Gavin Edwards

Vice-Chair: Councillor Linda Manchester

Regeneration & leisure

Chair: Councillor David Noakes
Vice-Chair: Councillor Renata Hamvas

The meeting closed at 9.25 pm.

The meeting ended at Time Not Specified