

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 25 October 2011	<b>Decision Maker:</b> Cabinet Member for Transport, Environment and Recycling
<b>Report title:</b>		Old Nursery (former Fish Farm) Southwark Park Lease	
<b>Ward(s) or groups affected:</b>		Rotherhithe	
<b>From:</b>		Strategic Director of Environment and Leisure	

## RECOMMENDATIONS

1. That the cabinet member for transport, environment and recycling approves the criteria for use when seeking a leaseholder for the old nursery site, Southwark Park ("the Site"), set out in Appendix 1.
2. That approval is granted to commence the process of seeking a leaseholder for the Site based on the approved criteria.

## BACKGROUND INFORMATION

3. The Site is an oblong section of land approximately 3000m<sup>2</sup>, bordered by the rear gardens of Gomm Road and Ann Moss Way, with Southwark Park to the west and Seven Islands Leisure Centre to the east. Access to the Site is only available via the adjacent park (currently restricted). Southwark Park is designated Metropolitan Open Land (MOL).
4. Policy 18 of the Canada Water Area Action Plan (CWAAP) states as part of the strategy to protect, maintain and enhance open spaces, that Southwark Council will allocate the Site as open space and bring it back into active use.
5. Following the decision not to sell or build on the Site, a submission was made to the 2009/10 round of Cleaner Greener Safer Funding (CGS) to fund enhancements to the Site. At the CGS decision meeting of 17 June 2010 Rotherhithe Community Council agreed an award of £70k to undertake the project, with a further £2k provided from the 2008/09 Southwark Parks Allotments CGS scheme. The aim of the award was to undertake basic clearance and minor works, rather than an enhancement scheme.
6. In July 2010 an initial consultation flyer was sent out to residents within the immediate vicinity to gauge initial feelings regarding clearing the site and creating a community garden. The general consensus was that residents didn't want to see anything happen to the Site until a full proposal, with funding was in place. However, a range of suggestions were received including: allotments, a community space, retention as a nature garden. Residents also raised concerns over security and rats if the Site was prepared to be allotments. The issue of protecting the land as MOL was raised to prevent it being built on.

7. In order to gauge potential options for the Site's end use, the department of environment and leisure invited a number of voluntary sector organisations to submit initial proposals. Organisations were chosen on the basis of themes linked to food growing, horticultural training or community orchards. However as the Site was so overgrown it was extremely difficult for some of the organisations to visit the whole of the Site and submit firm and full proposals therefore site clearance works were undertaken during spring 2011.
8. The Site will be partially re-fenced in autumn 2011 to help alleviate security concerns raised by adjacent residents.

### **KEY ISSUES FOR CONSIDERATION**

9. The council does not have in-house resources to develop and manage this Site to its full potential. We are therefore requiring a lease agreement with a third party organisation to manage the Site, including seeking external investment to improve and enhance facilities.
10. There are a number of interested parties who have expressed an interest in carrying out environmentally themed activities on the Site.
11. Whilst an organisation might not necessary require the whole of the Site, the council's property department advises that the simplest way to manage the Site is to lease the whole of it to one leaseholder and allow the leaseholder to share occupation of the Site with other users under the terms of the lease agreement.
12. The Friends of Southwark Park and the Canada Water Forum wish to have the Site brought back into public use. Some local residents have raised concerns regarding security of their properties. These concerns will be addressed in the project proposals.
13. The rationale for the criteria has been drawn from consultation and discussions with the community, interested groups, stakeholders and council officers.

### **Policy implications**

14. Bringing the Site back into active use is a policy recommendation in the CWAAP.
15. A proposal has been received stating that the Site should be designated MOL. Should the council wish to designate the Site as MOL this would need to be achieved through formal consultation and adoption through the Core Strategy and the CWAAP.
16. Bringing the Site back into active use will also help contribute to meeting a number of targets set in the council's Biodiversity Action Plan.

### **Community impact statement**

17. There will be a positive benefit to the local community through increased access to open space, with all the associated positive effects on health and wellbeing this brings. It is expected that access to the Site will be managed by the leaseholder.

18. As referred to above some residents have raised concerns over security and noise. It is likely there will be a minor increase in noise however this will not have adverse effects as the Site will only be used during normal hours; the essential criteria will ensure that the end use will compliment its setting adjacent to residential and park environments.
19. Depending on the selected leaseholder and end use, there may also be positive benefits to the local community through an increase in skills and knowledge through training programmes.

### **Resource implications**

20. There will be no additional financial costs that cannot be contained within existing budgets or staffing requirements for the council; the lease agreement will be managed within the existing environment and leisure department in conjunction with the council's property department.
21. The management of the Site by a third party organisation is the most cost effective way of managing it and ensuring it is used to its full potential.
22. There may be potential for income generation depending on the eventual end use but it is too early to estimate the likely income at this stage. It should be noted that the main objective of the proposal is to bring the site back into public use and find a suitable and reliable organisation to maintain the site as well as help to secure capital investment thereby saving council resources.
23. Given the various restrictions and criteria any likely rental income opportunity will be minimal; therefore the process for seeking a leaseholder will be conducted in accordance with council contract standing order 5.2 for estimates between £5,000 - £75,000.

### **Consultation**

24. Early consultation around the CWAAP in 2009 identified the desire for the Site to be retained as open space and to be but pack into use.
25. During further public consultation around clearing the site of disused buildings and overgrown vegetation, residents raised concerns around security. As part of establishing the criteria for a leaseholder, additional consultation took place during July 2011 to address these concerns, refer to Appendix 2 for a summary of responses. We now have plans in place to improve sections of the boundary fencing of the Site in autumn 2011.
26. During the consultation process a resident raised the question of retaining the trees on the Site; currently there are no proposals to remove any trees. Trees are monitored by the council's tree team to ensure they remain in good health. Should any proposals to carry out works to trees arise during the leaseholder selection process, residents and stakeholders will be consulted in accordance with council guidelines.
27. The final criteria have been updated following the results of consultation with local residents, stakeholders, interested groups and council officers.

28. Engagement will continue with stakeholders and local residents. This will be achieved through stakeholder groups, leaflet drops, posters and direct involvement.

### Project plan

Activity	Complete by:
Approval of IDM report (this report) Followed by scrutiny call in period	2/11/2011
Completion of PQQ documentation	14/11/2011
Advertise the opportunity to lease the site	14/11/2011
Deadline for return of completed PQQ	23/12/2012
Completion of short-listing of applicants	17/01/2012
Invitation to submit proposals	20/01/2012
Closing date for return of tenders	20/02/2012
Completion of evaluation of tenders	09/03/2012
Completion of any interviews	23/03/2012
IDM Report for award of lease Followed by scrutiny call in period	27/04/2012
Approval of Lease Award Report	18/05/2012
Lease award	04/06/2012
Lease start (subject to completion of lease)	02/07/2012
Lease completion date	30/06/2017

### Project approach and evaluation of proposals

29. Once criteria have been approved, the department of environment and leisure will work with the council's property department to secure a suitable leaseholder by:
- Advertising the opportunity to lease the land in relevant publications & websites to maximise interest in the site;
  - Undertake a prequalification questionnaire process, carry out appropriate referencing to ensure interested organisations are viable and meet the approved criteria;
  - Shortlist organisations and invite them to submit proposals;
  - Evaluation of proposals will be carried out in accordance with current council contract standing orders using a 70/30 ratio for price/quality. An evaluation scoring matrix based on the criteria set out in Appendix 1 will be used to ensure best value is achieved;
  - Throughout this process consultees will be kept informed of progress.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Strategic Director of Communities, Law & Governance**

30. This matter is one that is not reserved for decision to individual cabinet members under part 3D of the council's constitution. However, in this instance the leader of the council varied the delegation of this executive function on 10/10/11 so that the recommendation set out in paragraphs 1 and 2 of this report can be approved by the cabinet member for transport, environment and recycling.
31. If the Lease to be granted is for a term of more than 7 years, the Council shall not dispose of the Site for a consideration less than the best that can reasonably be obtained, unless the consent of the Secretary of State is first obtained.
32. The disposal of the Site (a lease for a term of more than 7 years) or the grant of a short tenancy (a lease for a term of less than 7 years) for a consideration of less than £500,000 is a matter reserved to the appropriate chief officer and/or head of service under part 3P of the council's constitution.

### **Finance Director**

33. This report seeks approval of criteria that has been determined for the proposed use of the former nursery site in Southwark Park and approval to start the search for a leaseholder.
34. The report confirms that there are no additional financial costs that cannot be contained within existing budgets or staffing requirements for the council in agreeing the recommendations. In the event of finding a suitable leaseholder, any future costs associated with the agreement will be contained within existing resources.
35. In addition to bringing the site back into use, the benefit of leasing the site to a third party is that this will allow the council to attract external investment needed to enhance the facilities.

### **Head of Procurement**

36. This report seeks the cabinet member for transport, environment and recycling approval of appointment criteria for a leaseholder, for a lease of the Old Nursery site in Southwark Park.
37. The report details the background to the site and the basis for the decision to seek third party management.
38. The report confirms the process that will be used to select a leaseholder including the essential criteria which must be satisfied. A 70:30 price: quality ratio will be used in accordance with contract standing orders.
39. The proposed timescales appear to be sufficient.

40. The proposed procurement process to be followed will be compliant with contract standing orders. The income to be derived from the scheme is considered to be minimal and will fall within the range £5,000 - £75,000.
41. The department of environment and leisure section will be responsible for overseeing the selection process and monitoring the subsequent licence.

**Head of Property**

42. Parks & open spaces division's objective is for the Old Nursery area to be brought back into use, aiming for a type and level of activity that reflects the principles on which Southwark Park is managed and is beneficial to the community. In line with the requirements of the Corporate Asset Management Plan approved by cabinet in December 2010, which sets the framework for the use of all the council's property assets, it is proposed that this shall be achieved by a letting of the land at a rent to be established through an open and competitive process.
43. It is expected that any lease granted will be accompanied by a service level agreement that specifies and provides a basis for monitoring the activities of the successful bidder to ensure that, in addition to the commercial aspects that will be regulated through the terms of the lease, the service-side objectives will also continue to be fulfilled.
44. The head of property advises that leasing to one organisation, with scope for subletting of parts subject to the council's approval, is recommended for simplicity of management in that it will devolve any complexities of sharing to the leaseholder.
45. Property division will continue working in collaboration with the parks & open spaces division, in particular to assess bids, and ensure that an appropriate form of tenure, including tenancy length, rent and other terms, is established and agreed. Bids will be assessed in terms of their commercial and service benefit "offer".

**BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Project file	Public Realm, Department of E&L, 160 Tooley St	Sharon Lomas 020 7525 0878

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	Criteria for seeking a leaseholder
Appendix 2	Summary of consultation responses

## AUDIT TRAIL

<b>Lead Officer</b>	Gill Davies, Strategic Director of Environment and Leisure	
<b>Report Author</b>	Des Waters, Head of Public Realm, Department of Environment and Leisure	
<b>Version</b>	Final	
<b>Dated</b>	25 October 2011	
<b>Key Decision</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Head of Environment and Leisure Procurement	Yes	Yes
Head of Property	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional/Community Council/Scrutiny Team</b>	25 October 2011	