



OVERVIEW & SCRUTINY COMMITTEE

MINUTES of the OPEN section of the call-in meeting of the OVERVIEW & SCRUTINY COMMITTEE held on MONDAY MARCH 12 2007 at 6.00P.M. at the Town Hall, Peckham Road, London SE5 8UB

PRESENT: Councillor Fiona Colley (Chair)
Councillor Bob Skelly (Vice-Chair)
Councillors John Friary, Barrie Hargrove, Adedokun Lasaki,
Tim McNally, David Noakes, Lewis Robinson and Dominic Thorncroft

ALSO PRESENT: Councillor Columba Blango – Executive Member for Citizenship,
Equalities & Communities
Councillor Dora Dixon-Fyle
Councillor Toby Eckersley – Executive Member for Resources
Councillor Peter John
Councillor Alison McGovern
Councillor Lisa Rajan – Executive Member for Environment
Councillor Sandra Rhule
Councillor Althea Smith
Councillor Ian Wingfield
Councillor Lorraine Zuleta, Executive Member for Culture, Leisure &
Sport

Jewhare Abdellah - Southwark Muslim Women's Association
Sean Baine – SAVO
Gillian Beech – Southwark Day Centre for Asylum Seekers
Roseda Boodoo - Southwark Muslim Women's Association
Hugh Brown
Ray Clifford - Beormund Community Centre
Bridget Gilcrest – Lyndhurst Primary School
Hania Hardinge – Friends of Camberwell Leisure Centre
Abida Iqbal - Southwark Muslim Women's Association
Zafar Iqbal – Southwark Muslim Women's Association
Neil McKinnon – St Matthews
Pauline Manda - Southwark Day Centre for Asylum Seekers
John Moxham – King's Hospital
Christopher Owen – Camberwell Baths Campaign
Helen Owen – Camberwell Baths Campaign
Coral Newell – Beormund Community Centre
Don Phillips – Friends of Camberwell Leisure Centre
Trevor Precious - East Dulwich Community Centre
Lynda Sale - Lyndhurst Primary School
Cleopatra Soanes
Fay Starling – St Faiths
Kate Start – East Dulwich Community Centre

Mark Treasure - East Dulwich Community Centre
William Thomas – The Peckham Settlement

OFFICER
SUPPORT:

Shelley Burke – Head of Overview & Scrutiny
Stephanie Fleck – Legal Services
Phil Davies – Head of Housing & Sustainability
Alex Folkes – Political Assistant, Liberal Democrat Group
Jerry Gould - Deloittes
David Minton - Leisure Database Company
Jules O'Mahoney – Head of Social Inclusion
Nigel Robinson - Strategic Development Manager (Sports)
Bonnie Royal - Principal Grants Officer
Duncan Whitfield – Finance Director
Jay Yeats – Head of Parks & Sport
Peter Roberts – Scrutiny Project Manager

APOLOGIES FOR ABSENCE

Apologies for absence were received from Ms Ann Marie Eastwood, Mr Alie Kallon and Mrs J Spanswick.

NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMED URGENT

There were none.

DISCLOSURE OF INTERESTS AND DISPENSATIONS

Councillor John Friary declared that he was a member of the Friends of Camberwell Leisure Centre.

MINUTES

RESOLVED: That the Minutes of the open sections of the meetings held on January 22 2007 (call-in and ordinary meetings) and February 7 2007 be agreed and signed by the Chair as a correct record.

1. CALL-IN: LEISURE CENTRE INVESTMENT STRATEGY (EXECUTIVE FEBRUARY 13 2007) (see pages 1 - 29)

- 1.1 John Moxham of King's Hospital addressed the committee on the implications for the community's health of a failure to invest in Camberwell Leisure Centre. He stated that the health of people in Camberwell was poor and that exercise was important both in helping to prevent certain health conditions and in ameliorating their impact. The facilities provided by the Leisure Centre, particularly the swimming baths, were very important in terms of public health and supported the aims of the National Institute for Health and Clinical Excellence.

- 1.2 In response to Members' questions, Mr Moxham gave his opinion that the health of people in Camberwell had deteriorated over the past 25 years and that some wards experienced the worst deprivation in the whole borough. Some Members agreed that it was important to take account of areas suffering the highest deprivation in reaching decisions about investment. Other Members emphasised that it was important to retain a balanced view and that not all parts of the borough would benefit from a refurbishment of Camberwell or Dulwich Leisure Centres. The Council was facing a wider problem of how to reinvest in its leisure centres.
- 1.3 Lynda Sale, representing parents of Lyndhurst Primary School, was unhappy that local parents had not been consulted on or communicated with about the threat to the pool at Camberwell. She also commented that there was no support for proposals for a community hub. Ms Sales referred to the election promise that funding would be found to refurbish the leisure centre with a view to making it the centre of the community. She stated that the pool was central to this and emphasised that swimming was part of the national curriculum in schools. Four other primary schools were in walking distance of the leisure centre and would be affected. None of the teachers or parents had been properly consulted.
- 1.4 Hania Hardinge of the Friends of Camberwell Leisure Centre (FCLC) stressed that this was the body that the Council had always consulted in respect of issues affecting the future of the leisure centre. The FCLC was shocked when it heard of the Executive's decision to break off negotiations with Fusion especially as it had no prior indication of the likelihood of this decision being taken. The FCLC felt that this was a complete reversal of plans that had been developed over a period of six years and that the decision had been made before Fusion had offered its final proposals.
- 1.5 Ms Hardinge questioned the business case for the council's leisure investment strategy and for abandoning any deal with Fusion, particularly as no consultation had been undertaken. She was of the view that, even if the council adopted a self-financing strategy, Fusion need not be excluded. The FCLC was concerned about what would offer best value for money and sought clarification of figures set out in the strategy report. The leisure centre was at the heart of Camberwell town centre and its refurbishment would attract even more usage.
- 1.6 Christopher Owen, Camberwell Baths Campaign, emphasised that local people felt very let down by the Executive's decision. He outlined the recent history of the baths which had led up to the feasibility study in 2004. At that time there were two options under consideration, Fusion and a public private partnership finance initiative. In March 2006 the Campaign understood that a deal with Fusion was supported by the council, backed by election pledges for refurbishment of the borough's leisure centres. In January of this year the council had met with the SE5 Forum and said that funding was not available. The Campaign felt that it had not been kept informed about developments and that the third option of the council self-financing the leisure investment strategy came out of nowhere.
- 1.7 Mr Owen stated that the council's business case revolved around £12.3m of funding and self-financing being the cheapest way to provide this funding. In the Baths Campaign's view, the financing of funds was not the original question. The original question was one of how to get all Southwark's leisure centres up to twenty-first century standards. £12.3m funding would not achieve this so the council's current business case was flawed from the outset.

- 1.8 Mr Owen again stressed the need to see the Camberwell Leisure Centre in the broader context of health and social need. The baths provided a facility for which it was difficult for some people to travel and find alternative provision elsewhere. Mr Owen read out supporting views from the Grove Lane Residents' Association and the Camberwell Society.
- 1.9 Councillor Alison McGovern stated that there was no evidence of consultation having taken place on the proposal for a community hub. Similarly there was no evidence that a refurbished Camberwell Leisure Centre could not draw greater public use. She felt that it was important for the Executive to revisit its decision and communicate more with local people. Councillor Peter John added that when Councillor Ward and he had met people in Camberwell it had been clear that there would be more use of the centre if it was in a better condition.
- 1.10 Some Members questioned any assumption that the Executive's decision implied that the pool at Camberwell Leisure Centre would no longer be supported. The representatives of Lyndhurst School, Friends of Camberwell Leisure Centre and the Camberwell Baths Campaign were of the view that that this was implicit in the decision. If funding was reduced for the leisure centre then refurbishing the pool would not be financially viable. Wet facilities were expensive. Councillor McGovern commented on the reference to increased competition in pool facilities, at Appendix A, which could be read as saying that there was no longer any need for a pool in Camberwell. The community representatives asked for some statement of commitment to retaining a pool at Camberwell and for the council to be open to investigating match funding if other bodies were interested in a refurbishment of the centre.
- 1.11 Councillor Lorraine Zuleta, Executive Member for Culture, Leisure & Sport, presented the council's Leisure Investment Strategy. She outlined the history of leisure investment in Southwark. In the five years up to 2003 less than £70K per annum had been spent on repairs. In 2004 this increased to £350K and in 2006 £550K. This had been supplemented by a capital injection of just over £2m in the last 5 years. Camberwell, Elephant & Castle and Seven Islands leisure centres were all waiting on additional funding to be refurbished. Councillor Zuleta gave statistics showing where leisure centre members came from geographically and set out the background to the council's business case for leisure investment:
- Camberwell has stiff competition (which will get stiffer)
 - Dulwich has little competition (unlikely to change)
 - Camberwell catchment has a high proportion of groups who are less inclined to use sport and leisure facilities
 - Dulwich catchment has a high proportion of groups who are highly likely to use sport and leisure facilities
 - This means that Camberwell is less financially viable, purely as a leisure centre, than Dulwich
 - If Dulwich were not to receive any investment the likelihood is that it would close because it has not potential as a community hub
- 1.12 Councillor Zuleta also presented the council's plans for the future and its consultation plan:

- It was neither appropriate nor possible to consult on alternative solutions when the council was engaged in negotiations with Fusion. This was no different for Camberwell than it was for any other of the centres.
- There is a clear recognition that Camberwell is a precious asset although it is difficult to justify on a financial basis as a leisure centre alone. For this reason the council is considering a community hub.
- In the next 6 months the council will consult fully with all stakeholders in the area who want to retain and improve the building as a community resource.
- The council will look at a range of services that could be delivered from the building to act as a magnet for further regeneration activity in the area.
- The council has made a greater financial commitment than Camberwell has ever had – that includes funding to keep the building operational; seed funding from the capital programme and a commitment to ring-fence capital receipts from any sales of land in the Camberwell “package”.

- 1.13 Councillor Zuleta stressed that the council was not ignoring concerns around healthy living and high mortality and morbidity rates. The council was trying to meet local needs and aspirations but had limited resources out of which it had identified a total of £12.3m of the capital programme for leisure centres. £1.5m of this had been allocated to the Camberwell Leisure Centre, backed by a promise to ring-fence capital receipts from the car-park adjacent to the centre. In response to questions, the Head of Parks & Sport explained that there was currently a revenue deficit at Dulwich and Surry Docks leisure centres but that investment would generate a positive revenue stream that could be used to cross-subsidise revenue costs of other centres. Investment in Camberwell would not enable other centres to be subsidised.
- 1.14 The Finance Director explained that the council had explored different options in order to secure funding for the leisure strategy and had concluded that the council’s own capital funding was the preferred solution. In reaching this decision, the council had taken account of the relative cost of debt, including changes in the availability of prudential borrowing, and the fact that there were no equivalent schemes to the proposals put forward by Fusion which would allow comparison.
- 1.15 The community representatives queried the use of numbers of leisure centre members as a basis for arguing the business case. It was not possible to become a member at Camberwell Leisure Centre and the representatives asked whether use by schools had been fully acknowledged. The view was also expressed that the current state of the centre would not encourage membership to be taken up whereas refurbishment would have a positive impact on numbers of members. The Head of Parks & Sport responded that figures of both current use and propensity to use had been taken into account. Models had shown that projections for Dulwich were greater than Camberwell in terms of an increase in the numbers of full paying members. Competition with Peckham Pulse and the new Elephant & Castle Leisure Centre impacted on projections for Camberwell.
- 1.16 In response to questions, Councillor Zuleta explained that a community hub was a group of activities determined by people entering into a partnership in order to make a location sustainable and provide a variety of services which might include leisure facilities, a library and the police. Leisure was seen as the heart of a possible community hub in Camberwell.

- 1.17 Some members of the committee queried the level of support for a hub in Camberwell and emphasised that refurbishment of the centre could be a regeneration driver for the area. These members continued to be of the view that a stronger commitment was needed to providing a twenty-first century leisure centre in Camberwell and to exploring alternative ways of funding such provision.

RESOLVED: That the Overview & Scrutiny Committee endorses the Capital Programme and Leisure Centre Investment Strategy and calls on the Executive Member for Culture, Leisure & Sport to work with stakeholders to seek partners and additional funding in order to achieve the regeneration of Camberwell Leisure Centre centred around swimming provision. The decision of the Executive can therefore be implemented with immediate effect.

2. CALL-IN: COMMUNITY SUPPORT VOLUNTARY SECTOR COMMISSIONING PROGRAMME 2007/8 (EXECUTIVE FEBRUARY 13 2007) (see pages 30 - 52)

- 2.1 In response to the Chair, the Finance Director confirmed that, although the council's 2007/08 budget had been agreed, standing orders allowed for up to £250,000 to be moved within budget headings and across departments. If the Executive agreed additional funding for the Beormund Community Centre there was nothing to prevent this being found outside the commissioning programme 2007/08. The Finance Director also confirmed the existence of a corporate contingency fund of £3.8m created in respect of specific pressures relating to health and social care and waste.
- 2.2 Coral Newell, manager of the Beormund Community Centre, addressed the committee. She explained that the centre was a charity and a company limited by guarantee. As such it was necessary for the directors of the centre to manage risks adequately and to implement and monitor a reserves policy. The directors' view, in light of risk assessment, was that the reserves needed to be maintained at a level of four months' optimum budget (£133K). Ms Newell also stressed the requirement within the leasehold to keep the building in good repair and that recent costs of replacing windows alone amounted to £30-50K.
- 2.3 Ms Newel stated that the cut agreed by the Executive took the centre back to its budget and funding level of 1999/2000. The cut would affect the delivery of the centre's programmes and impact on the centre's ability to attract ESF funding. The centre had received first notification of the proposed cut by letter on February 5 2007; no consultation had taken place before this and Officers had given no indication that a cut was going to be recommended to the Executive meeting on February 12 2007.
- 2.4 Officers confirmed that the project summary, a factual representation of each organisation, had been sent to all voluntary organisations on January 31 2007. A further letter setting out the recommended level of funding made clear to organisations their rights in terms of making their views known to the Executive, either in writing or by deputation. This process was no different to that carried out in previous years.

- 2.5 Some members drew attention to the number of community centres being funded and the fact that, of these, the Beormund was receiving most funding from the council; the Executive had to make difficult choices in allocating a finite amount of money. Ms Newell stressed the Beormund's view that the aim should be to achieve parity and underlined that other centres had lower rents and were not responsible for maintenance and repairs.
- 2.6 Members asked whether the Beormund could introduce a nominal increase in charges to meet the cut agreed by the Executive. Ms Newell emphasised that the Beormund delivered its services in a very deprived area of Southwark and to people on low incomes – it would only be feasible to increase charges to the council and to outside agencies. Officers drew the committee's attention to the £15 per annum fee charge for use of the multi-gym.
- 2.7 Councillor Columba Blango, Executive Member for Citizenship, Equalities & Communities, addressed the committee. He stated that the council valued the work of the voluntary sector and specifically the work of the Beormund. The council tried to support as many organisations as possible but funds were limited. This year more organisations had been funded than in previous years, including new and emergent organisations. Councillor Blango explained that the principles behind the Executive's decisions were fairness and redistribution. The Executive believed that the Beormund could continue to provide its programme on the basis of the reduced funding from the council and Councillor Blango commented that it was receiving £30K more than any other organisation.
- 2.8 The Head of Social Inclusion and the Principal Grants Officer highlighted that the funding was part of an annual commissioning round. This was based on a yearly assessment of the merits of bids and there was no guarantee of continued funding year on year. The ongoing review of the commissioning programme, due to be completed and implemented in 2009/10, was currently considering the introduction of 3 years' funding. Councillor Columba Blango stated that the aim of the review was to help organisations become sustainable.
- 2.9 Officers stressed that the £20K reduction in the Beormund's funding was not a statement on performance but the result of the council's attempt to rationalise and redistribute a limited amount of funding fairly, across the borough and recognising the needs of particular communities. The council was also trying to make more explicit the link between the community strategy and funding of voluntary organisations. In comparative terms, out of seven community centres the Beormund had been allocated 34% of the related funding and under the new arrangements was now allocated 30% of the funding. 19 other groups were not being funded at all.
- 2.10 In response to questions, Officers confirmed that the Beormund's rent was included as a specific amount within its funding. Officers also clarified their view of funds being held as reserves - £133K general funds, £66K designated funds and £35K restricted funds. Officers were of the opinion that it would be more appropriate for the centre's development funds to be held as designated funds.

- 2.11 Some members were of the view that the proposed cut to the Beormund's funding was not sustainable. They were not proposing that the funding of other groups be cut in order to reinstate the Beormund's funding but asked whether the Executive would look at its decisions again with a view to finding additional money. Perhaps the Executive could find the balance of funding this year and then properly consult with voluntary organisations on the proposals for 3 year funding and ensuring that funding matched the strategic objectives of the council. Councillor Blango stressed again that the total funds available were limited and stated that he was not sure that additional funding could be found, even if the committee formally asked the Executive to reconsider its decisions.
- 2.12 Other members held the opinion that the Executive had taken all issues fully into account in arriving at their decisions on the commissioning programme and were concerned that referring the decisions back for further consideration put the funding of a large number of organisations on hold and that reinstating the funding of the Beormund could only be achieved by cutting the funding of other groups.

RESOLVED: That the decision of the Executive on February 13 2007 in respect of funding recommendations for voluntary sector organisations delivering services under the Community Support Voluntary Sector Commissioning Programme for 2007/8 not be referred back to the Executive. The decision of the Executive can therefore be implemented with immediate effect.

At 10.55pm it was moved, seconded and resolved that the public be excluded from the meeting for the remainder of the business on the grounds that it involved the likely disclosure of information as defined in paragraphs 1-7, Access to Information Procedure Rules of the Constitution.

MINUTES

RESOLVED: That the Minutes of the closed section of the call-in meeting held on January 22 2007 be agreed and signed by the Chair as a correct record.

3. CALL-IN: INTEGRATED WASTE MANAGEMENT SOLUTION CONTRACT – INVITATION TO NEGOTIATE (ITN) EVALUATION AND PREFERRED BIDDER SHORTLIST (EXECUTIVE FEBRUARY 13 2007)

- 3.1 Councillor Lisa Rajan, Executive Member for Environment, and the Head of Housing & Sustainability outlined the history of the bidding process and the Executive's decision. In response to questions, the Head of Housing & Sustainability gave further details of the bid submitted by Veolia in terms of how far it met the council's requirements. The committee noted that the company was involved in five major integrated waste management services elsewhere in the UK. The Head of Housing & Sustainability confirmed that all bidders had been asked to propose a solution for an integrated waste management contract encompassing both collection and disposal.
- 3.2 The committee was concerned at how members would be kept informed of the continuing contract process.

- RESOLVED:**
1. That the decisions of the Executive on February 13 2007 in respect of the Integrated Waste Management Solution Contract not be referred back to the Executive. The decisions of the Executive can therefore be implemented with immediate effect.
 2. That the Head of Housing & Sustainability provide briefings to the Overview & Scrutiny Committee in order to update the Committee on progress in respect of the contract.

The meeting concluded at 11:59 p.m.

CHAIR:

DATED: