

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE STRATEGIC DEVELOPMENT COMMITTEE

HELD AT 7.05 P.M. ON MONDAY, 2 AUGUST 2010

**COUNCIL CHAMBER, 1ST FLOOR, TOWN HALL, MULBERRY PLACE, 5 CLOVE
CRESCENT, LONDON, E14 2BG**

Members Present:

Councillor Carli Harper-Penman (Chair)

Councillor Bill Turner (Vice-Chair)

Councillor Kabir Ahmed

Councillor Shahed Ali

Councillor David Edgar

Councillor Dr. Emma Jones

Councillor Anwar Khan

Other Councillors Present:

Councillor Marc Francis

Councillor Stephanie Eaton

Officers Present:

Stephen Halsey	– (Corporate Director, Communities, Localities & Culture)
Owen Whalley	– (Service Head Major Projects, Development & Renewal)
Robin Beattie	– (Acting Head, Strategy & Resources, Communities Localities & Culture)
Oscar Ford	– (Acting Strategy & Business Development Manager, Communities Localities and Culture)
Isabella Freeman	– (Assistant Chief Executive [Legal Services])
Megan Crowe	– (Legal Services Team Leader, Planning)
Zoe Folley	– (Committee Officer, Democratic Services Chief Executive's)

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1. APOLOGIES FOR ABSENCE

There were no apologies for absence.

2. DECLARATIONS OF INTEREST

Members declared interests in items on the agenda for the meeting as set out below:-

Councillor	Item(s)	Type of Interest	Reason
Carli Harper-Penman	8.1	Personal	Correspondence received from concerned parties. Had been lobbied by interested parties. Nominated by the Council to the premises Management Board in 2006, however unable to take up position.
Bill Turner	8.1	Personal	Correspondence received from concerned parties. Customer of the facility. Had met with the Chief Executive of the facility in connection with an unrelated matter. Had known previous members of Management Board.
Kabir Ahmed	8.1	Personal	Held ward surgeries at the facility. Had met with the Chief Executive of the facility. Correspondence received from concerned parties
Shahed Ali	8.1	Personal	Customer of the facility. Correspondence received from concerned parties

David Edgar	8.1	Personal	Correspondence received from concerned parties. Knew members of Management Board
Dr Emma Jones	8.1	Personal	Correspondence received from concerned parties
Anwar Khan	8.1	Personal	Correspondence received from concerned parties. Customer of the premises in question. Knew members of Management Board.

3. UNRESTRICTED MINUTES

The Committee **RESOLVED**

That subject to the following amendment the unrestricted minutes of the meeting of the Committee held on 17th June 2010 be agreed as a correct record and signed by the Chair.

Page 4, Item 3, Declarations of Interest - be amended to state that Councillor Edgar worked for an organisation that had a **short term** lease with the Canary Wharf Estate.

4. DEFERRED ITEMS

There were no deferred items for consideration.

5. PLANNING APPLICATIONS FOR DECISION

There were no planning applications for consideration.

6. OTHER PLANNING MATTERS

6.1 Consideration of S.106 Support for Rich Mix Cultural Centre (SDC003/011)

Mr Owen Whalley, (Service Head, Major Projects and Development, Development and Renewal), introduced the report regarding the allocation of S. 106 support to the Rich Mix Cultural Centre.

Mr Whalley reported that the Corporate Director for Development and Renewal had determined that this report should be referred to the Committee rather than dealt with under delegated authority given the nature of the proposals.

He reminded Members that it was matter for the Corporate Director to determine whether reports satisfied the criteria for referrals to Committee. If a matter was particularly sensitive or of strategic importance, the Corporate Director may refer it to the Committee for consideration. In this case it was considered that the report meet this criteria, therefore it should be referred to the Committee.

Mr Stephen Halsey, Corporate Director, Communities Localities and Culture presented the detailed report. He explained the context of the proposals and considered it imperative that the robust performance framework and SLA attached at Appendix 2 was implemented and that the funding be payable depending on achievement of the performance targets.

Mr Halsey reported on the reasons why consideration of the recommendations was now appropriate. The S106 funding available to support Rich Mix had reached its first 'trigger point' and was now readily available. This was also timely due to the current financial position of the Rich Mix Centre.

Mr Halsey drew attention to the planned project capital costs, funding secured and the negotiations around the S106 loan. Officers were actively pursuing the matter of the loan.

The project had taken action to improve its budgetary position which was clearly having an impact on performance. As a result it was now well placed to achieve the objectives and balance its budget for the year.

Accordingly, it was recommended that Option 3 of the report be adopted in view the scope of the improvements and the benefits the project brought to the community.

If agreeable to this, it was also requested that further funding be allocated to Rich Mix as per Option 4 of the report.

Robin Beattie (Acting Head Strategy and Resources Communities, Localities and Culture) gave a detailed presentation on the outline Performance Framework for S106 Assistance (Appendix 2) alongside Appendices 3-5 of the report.

In response to the report, Members raised queries regarding the projects current financial position given the scope of past support from the Council, the need to encourage local participation and usage of the facility, the lack of equality data showing the facility was used by BME groups from Tower Hamlets, the need to ensure the Performance Management Framework was

developed in accordance with the Appendixes and promoted inclusive services.

Members also discussed:

- the rationale for proposing Option 4 be dealt with under delegated powers, the scope of the loan agreement totalling £850,000, the aim of/ progress with the negotiations regarding the loan. Expressed disappointment about the pace of these negotiations
- whether the table on Page 43 of the agenda included the costs of employing the 4 weekly paid staff and the security staff often seen at the premises. Mr Robin Beattie **Agreed** to clarify the number of jobs included in this table and to report back to Councillor Shahid Ali accordingly.
- The implications of providing no funding.
- The key differences between current and past management.
- The action being taken to strengthen governance.
- scope of local projects.
- Diversity issues including age, gender, disability and ethnic background. How would Rich Mix cater for such needs?
- Details of current/planned programmes.
- The overdraft facility, timescale for finalising the accounts.
- Whether the targets were realistic given the current climate, had they been met?
- The monitoring arrangements.
- Members also expressed concern at scenario 3 (Page Appendix 5) regarding contracting out certain functions.

In reply to the questions, Officers reported the following points.

Rich Mix were aware of the need to review elements of its work with a view to making it much more community focused. The new performance framework would help them to deliver this. They were also developing a system for capturing performance data to clarify the precise make up of their customer base.

In relation to accessibility, the centre was developing a youth programme and were aware of the need to be a facility for all. A considerable amount of effort had gone into making their services as accessible as possible for all groups.

With the permission of the Chair, the Interim Chief Executive of the Rich Mix Centre responded to further requests for clarification from the Committee. She reported the following points:

Rich Mix had implemented an extensive youth programme including many of the local schools in the Borough. They also worked extensively with a diverse range of BME groups and were developing audience data. This showed that a high number of the centre's customers lived in the immediate area (E1& E2 postcode area), and that it performed very well in attracting people from local income areas. The project was also considering ways of better meeting the

needs of local people and would be meeting with community leaders this month to progress this. In relation to accessibility, the centre worked closely with disability related organisations, and groups such as 'Ethnic Deaf' to improve accessibility.

In reply to the Members questions, it was reported that the projects Chief Finance Officer, who had been off work since June 2010, was expected to return shortly. The interim Chief Executive expressed confidence in the new Management Board who had been very supportive of the changes and had taken steps to ensure there was absolute transparency in the decision making process. The Final Accounts for 2009/10 would be submitted to the Management Board in August 2010 for approval. It was considered that the targets were achievable and the centre had already achieved a great deal by reducing costs and reviewing service delivery.

In addition, Officers of the Council also reported:

The issue of the S.106 loan was last considered by the Cabinet in June 2006. However the negotiations arising from that were still ongoing. Officers were actively pursuing this matter.

In relation to option 1 of the report, this would have serious consequences for Rich Mix as it was doubtful whether they could survive without the funding.

In relation to past performance, it was considered that some of the mechanisms historically were not that robust, but now were due to the positive work carried out by the project. The monitoring process comprised site visits and regular meetings with the project to discuss performance. It was necessary to ensure a partnership approach was developed to secure this and that Rich Mix have access to the most appropriate support.

The Section 106 agreement relating to Telford Homes provided funding for cultural social and community projects therefore it was entirely appropriate to allocate this to Rich Mix as proposed.

It was also noted that Members now received quarterly progress reports on S 106 agreements showing spend and achievements.

In view of the concerns around Rich Mix's financial position and the operational issues, Councillor Shahid Ali moved an amendment to the recommendations proposing revisions to the terms of the funding. On being put to the vote, this amendment fell.

Consequently, on a vote of 6 for 1 against and 1 abstention, the Committee **RESOLVED**

1. That option 3 as detailed in paragraphs 8.7-8.10 of the report (SDC003/011) be adopted;

2. That the Corporate Director of Development and Renewal be authorised to progress option 4 and to negotiate with the Rich Mix based on the performance areas specified in Section 2 of Appendix 2 of the report (SDC003/011) for inclusion in a SLA; and
3. That the Corporate Director of Development and Renewal be authorised to administer the draw down of S.106 monies by Rich Mix against the negotiated performance framework set out in the SLA referred to above.

Note from the Clerk: Cllr Shahed Ali has requested that it be recorded that he voted against the recommendations.

The meeting ended at 8.30 p.m.

Chair, Councillor Carli Harper-Penman
Strategic Development Committee