

**AGREEMENT**

**BETWEEN:**

**LONDON BOROUGH OF LEWISHAM (1)**

**LONDON & QUADRANT HOUSING TRUST (2)**

**TOWER HOMES LIMITED (3)**

**RELATING TO COMMUNITY FACILITIES  
COMPRISING PART OF PHASE 3B, SILWOOD  
ESTATE, SE16**

**THIS AGREEMENT is made BY DEED the 17th day of October 2006**

**BETWEEN**

- (1) **THE MAYOR AND BURGESSES OF THE LONDON BOROUGH OF LEWISHAM** of Town Hall Catford London SE6 4RU ("the Council") and
- (2) **LONDON & QUADRANT HOUSING TRUST** whose registered office is at Osborn House Osborn Terrace London SE3 9DR ("L&Q")
- (3) **TOWER HOMES LIMITED** whose registered office is at Osborn House Osborn Terrace London SE3 9DR ("TOWER")

**WHEREAS**

- (1) The Council, L&Q and TOWER have entered into a Development Agreement of even date herewith ("the Development Agreement") under which L&Q and TOWER covenanted to carry out an agreed development comprising a Community Facility with 25 social rented flats above on part of Phase 3B, Silwood Estate SE16 in accordance with the terms of the Development Agreement ("the Development")
- (2) This Agreement sets out L&Q's and TOWER's obligations in respect of the future running and management of the Community Facility and their obligation to provide an agreed revenue stream for that purpose in perpetuity

**NOW IT IS AGREED THAT:**

**1. Definitions and Interpretation**

- 1.1 "Approved Successor" means any community led organisation approved by the Council for the purposes of clause 3.1 such approval not to be unreasonably withheld or delayed

- 1.2 "Business Plan" means the business plan referred to in clause 2 provided that for the period from the date hereof to 31 March 2007 the relevant Business Plan shall be as contained at Schedule 1 subject to any further amendments agreed between the parties or reasonably required by the Council
- 1.3 "Commencement Date" means the date of Practical Completion of the Development as defined in the Development Agreement
- 1.4 "Community Facility" means the Community Facility to be provided by the RSLs at the Property as part of the Development as defined in the Development Agreement
- 1.5 "Overage Agreement" means an overage agreement of even date herewith made between (1) the Council and (2) the RSLs
- 1.6 "Property" means the property shown coloured brown and edged red on the attached plan
- 1.7 "Revenue Stream" means the revenue stream from the Property calculated in accordance with Schedule 2 to be paid in accordance with the requirements of clause 4
- 1.8 "RSLs" means together L&Q and TOWER
- 1.9 "Section 106 Funding Agreement" means a funding agreement of even date herewith made between (1) the Council and (2) the RSLs
- 1.10 "Unit" means a unit of residential accommodation to be constructed by the RSLs as part of the Development in accordance with the terms of the Development Agreement
- 1.11 "Working Day" means any day Monday to Friday (inclusive) but excluding Bank and Public Holidays
- 1.12 words importing the masculine gender include the feminine and the neuter and vice versa
- 1.13 words importing the singular include the plural and vice versa
- 1.14 references to persons include bodies corporate and vice versa
- 1.15 save where the context otherwise requires all obligations given or undertaken by more than one person in the same capacity are given or undertaken by them jointly and severally
- 1.16 the Clause headings shall not affect the construction of this Agreement

- 1.17 save where otherwise stated any reference to a numbered Clause Schedule or Annex means the Clause or Schedule or annex in this Agreement which is so numbered
- 1.18 This Agreement is made in pursuance of Section 16 of the Greater London Council (General Powers) Act 1974 and Section 33 of the Local Government (Miscellaneous Provisions) Act 1982 and all other enabling powers AND for the avoidance of doubt the provisions of Section 16 of the Greater London Council (General Powers) Act 1974 and Section 33 of the Local Government (Miscellaneous Provisions) Act 1982 (as the case may be) shall apply to all covenants obligations and undertakings on the part of the RSLs contained in this Agreement

2. **Community Facility**

With effect from the Commencement Date the RSLs agree at all times to use all reasonable endeavours:

- 2.1 subject to the provisions of clause 3 to run and provide the Community Facility in accordance with the management model and objectives contained in the Business Plan with the objective of establishing a thriving and sustainable Community Facility that will house a cluster of services and build on the SRB momentum of resident involvement and management
- 2.2 to establish a management committee with a strong resident-led presence, based on 15 months of capacity building prior to completion of the Community Facility
- 2.3 to keep the Community Facility fully insured and in a state of good and substantial repair and condition and to renew as necessary the Community Facility
- 2.4 to keep the Community Facility in a state of good and substantial decoration

- 2.5 to keep the Community Facility in a clean and tidy condition and clear of all rubbish
- 2.6 not to treat any person less favourably than another person by reason only of his or her race, gender, colour, nationality, disability, ethnic origin or sexuality in any recruitment, training, promotion, the delivery of goods or services or otherwise and to follow best practice and comply with all legislation in relation to equal opportunities
- 2.7 to adopt a policy to comply with its statutory obligations under the Disability Discrimination Act 1995 and to provide the Community Facility in accordance with the requirements of that Act
- 2.8 to employ a sufficient number of suitable staff to ensure that the Community Facility is provided in accordance with the requirements of this clause 2
- 2.9 to carry out an annual review of the Business Plan by 30 September in each year and upon completion of that review forthwith submit to the Council its reviewed Business Plan for approval (such approval not to be unreasonably withheld or delayed) which will form the basis for how they intend to meet the requirements of this clause 2 for the period 1 April to 31 March in each year ("the Annual Period")
- 2.10 annually by not later than 30 September in each year to supply the Council with an analysis of how the requirements of this clause 2 have been met for the preceding Annual Period and indicating (where appropriate) any requirements which have not been met during that Annual Period and the action taken or being taken by them to address this
- 2.11 to take action as soon as reasonably practicable to remedy any failure to meet the requirements of this clause 2 and to advise the Council forthwith in writing as soon as any failure takes place and the reasons for this Provided that where the RSLs advise the Council of any failure to meet any of the said requirements or the Council otherwise becomes aware of any such failure then the Council shall (without prejudice to its rights under clause 15.1) be entitled to serve a written notice on the RSLs specifying the requirements

which have not been met and a reasonable timescale (which may be immediate) within which the failure must be rectified

- 2.12 within the timescale specified in any notice served by the Council pursuant to clause 2.11 to rectify the failure
- 2.13 to supply the Council with any information whatsoever from time to time reasonably required by the Council in connection with or arising out of this Agreement
- 2.14 to permit the Council and its duly authorised agents to have access to the Community Facility on reasonable notice for the purposes of enabling the Council to ascertain that the RSLs are complying with their obligations under or arising out of this clause 2

### **3. Establishment of approved successor**

- 3.1 The RSLs agree to work towards the establishment of an Approved Successor to take over the running of the Community Facility from a date agreed in writing by the Council and the RSLs ("the agreed date") both parties acting reasonably
- 3.2 Upon the establishment of the Approved Successor the RSLs shall be entitled to enter into appropriate arrangements with the Approved Successor for the approved successor to assume all or any of the RSLs' obligations under clause 2 ("the delegated obligations") from the agreed date including but not limited to the grant of a lease of the Community Facility (excluded from the protection of the Landlord and Tenant Act 1954) to the Approved Successor
- 3.3 The RSLs shall at all times use all reasonable endeavours to ensure that the Approved Successor complies with all of the delegated obligations from the agreed date
- 3.4 The Council hereby agrees that so long as an Approved Successor remains responsible for the delegated obligations and the RSLs comply with their obligations under clause 3.3, the RSLs shall be relieved of the delegated obligations subject to the RSLs first procuring that the Approved Successor

enters into a direct deed of covenant with the Council to carry out the delegated obligations from the agreed date

- 3.5 Without prejudice to the provisions of clause 3.3 in the event that the Approved Successor is in breach of the delegated obligations and/or the RSLs are in breach of their obligations under clause 3.3 then the RSLs and the Council shall, acting reasonably, consult with each other as to the best way of securing their performance which may include terminating the arrangements between the RSLs and the Approved Successor.
- 3.6 For the avoidance of doubt, upon the termination of any arrangements between the RSLs and the Approved Successor for any reason the RSLs shall immediately assume responsibility for the delegated obligations in accordance with clause 2 unless and until a new Approved Successor is established by the RSLs in accordance with clause 3.1.
- 3.7 The RSLs may seek to establish a new Approved Successor in accordance with clause 3.1 as often as necessary and for the avoidance of doubt all of the applicable provisions of this Agreement shall apply to any new Approved Successor so appointed

#### **4 Revenue Stream**

- 4.1 With effect from the Commencement Date the Revenue Stream shall subject to the provisions of clause 16 be due and payable to the Council in perpetuity by the RSLs monthly in arrears
- 4.2 Without prejudice to the provisions of clause 4.1 the Council agrees that:
- 4.2.1 subject to clause 4.2.2 the RSLs shall be entitled to retain the Revenue Stream (without having to make payment to the Council under clause 4.1) for as long as the RSLs' obligations under clause 2 have not been terminated by the Council in accordance with clause 15.1, or the RSLs have not been released from their obligations under clause 2 in accordance with clause 15.2;

4.2.2 in the event that an Approved Successor is established under clause 3.1 the RSLs shall be entitled to arrange for the Revenue Stream to be paid to the Approved Successor

4.3 In the event that the RSLs cease to be entitled to retain the Revenue Stream in accordance with the provisions of clause 4.2.1 the RSLs shall thereafter pay the Revenue Stream in accordance with clause 4.1 and the provisions of Schedule 2 (together with any surplus Revenue Stream monies from the current or any previous Annual Period as at the date of determination which shall be paid with the first payment following determination) to the Council or as the Council may otherwise direct

4.4 For as long as the RSLs are permitted under the terms of this Agreement to retain the Revenue Stream or to pay it to an Approved Successor, the RSLs shall at all times apply or procure the application of the Revenue Stream solely for the purposes of funding the obligations contained in clause 2. In the event that at the end of any Annual Period there are any surplus Revenue Stream monies such surplus shall be carried forward to the next Annual Period (and the RSLs shall ensure that any Approved Successor is also placed under this obligation)

4.5 In the event that at any time the cost of meeting the obligations under clause 2 exceeds the Revenue Stream then for the avoidance of doubt the RSLs (or any Approved Successor) is to be responsible for meeting any shortfall in those costs from their own resources

4.6 The RSLs shall maintain or procure the maintenance of audited accounts in respect of the Community Facility in respect of each Annual Period which must give an overall view of the total resources made available to it in respect of the Community Facility from whatever source during that Annual Period and how they have been expended. All documents relating to the audit shall be kept for a minimum of 6 years from the date of completion of the audit.



- 4.7 The RSLs shall allow the Council or any person(s) authorised by the Authorised Officer at any reasonable time on written notice to examine its accounts, books and any other supporting documentation relating to the Community Facility times and copies shall be provided to the Council forthwith upon request (and the RSLs shall ensure that any Approved successor is also placed under this obligation)

## **5 Assignment**

- 5.1 Subject to the provisions of clause 3.2 the RSLs may not assign or sub-contract the whole or any part of this Agreement to any person without the Council's prior written consent such consent not to be unreasonably withheld or delayed
- 5.2 The Council may not assign the whole or any part of this Agreement to any person other than a statutory successor without the RSLs' prior written consent such consent not to be unreasonably withheld or delayed

## **6. Severance**

If any provision of this Agreement shall become or shall be declared by any Court of competent jurisdiction to be invalid or unenforceable in any way, such invalidity or unenforceability shall in no way impair or affect any of the other provision of this Agreement all of which shall remain in full force and effect.

## **7. No Partnership**

Nothing in this Agreement shall create or deemed to be create a partnership between the Council and the RSLs or any person.

## **8. Resolution of Disputes**

- 8.1 If any dispute difference or question arises between the parties hereto concerning arising out of or in connection with this Agreement then:

- 8.1.1 If such dispute difference or question relates to the rights and liabilities of either of the parties or to the terms or conditions to be embodied in any deed or document appertaining thereto it shall be referred to Counsel (of at least ten years standing) agreed upon by the parties but in default of agreement appointed at the request of either of the parties by or on behalf of the Chairman or next available officer for the time being of the Bar Council
- 8.1.2 If such dispute difference or question relates to methods of accounting or otherwise to matters usually and properly within the knowledge of a chartered accountant it shall be referred to a chartered accountant agreed upon by the parties but in default of agreement appointed at the request of either of the parties by or on behalf of the President or next available officer for the time being of the Institute of Chartered Accountants in England and Wales
- 8.1.3 If such dispute relates to matters relating to housing management it shall be referred to a Member of the Institute of Housing specialising in housing management agreed upon by the parties but in default of agreement appointed at the request of either of the parties by or on behalf of the President or next available officer for the time being of the Institute of Housing
- 8.1.4 If the parties shall fail to agree as to the nature of the dispute difference or question then it shall be referred to a surveyor agreed upon by them but in default of agreement either of them may apply to the president or next available officer for the time being of the Royal Institution of Chartered Surveyors to appoint a surveyor to decide in relation to any such matter which of the preceding sub-clauses is applicable thereto
- 8.1.5 The following provisions shall apply in relation to the appointment of any person pursuant to clause 8.1
- 8.1.6 The said person shall act as an expert and not as an arbitrator and his decision shall be final and binding upon the parties hereto

- 8.1.7 The said person shall consider (inter alia) any written representations on behalf of either party (if made promptly) but shall not be bound thereby
- 8.1.8 The Council and the RSLs shall use all reasonable endeavours to procure that the said person shall give his decision as speedily as possible
- 8.1.9 The costs of appointing the said person and his costs and disbursements in connection with his duties under this Agreement shall be shared between the parties in such proportions as such person shall determine or in the absence of such determination equally between them
- 8.1.10 If such independent person shall become unable or unwilling to act then the procedure herein before contained for appointment of an expert may be repeated as often as necessary

## **9. Interest on Late Payment**

If any sum due under this Agreement is not paid by the due date then it shall bear interest calculated on a daily basis at an annual rate of 2% above the base rate of Co-operative Bank PLC for the time being in force

## **10. Statutory Powers**

Nothing contained in this Agreement including but without limitation the giving of any consent or approval by the Council pursuant to its terms shall in any way waive diminish or affect any existing or future powers or duties of the Council in the exercise of its functions as a local authority

## **11. Notices**

- 11.1 Any communications made under this Agreement shall be made in writing and delivered by courier, first class post or facsimile transmission
- 11.2 Any communication or document to be made or delivered by one person to another pursuant to this Agreement shall be made or delivered to that other person at the address indicated in this Agreement or to such other address or

facsimile number as may be notified by the parties to each other from time to time and shall be deemed to have been made or delivered two business days after being deposited in the post postage prepaid in the case of first class post or upon receipt in the case of delivery by courier or upon receipt of a correct answer back facsimile prior to 5 p.m. on a Working Day

- 11.3 Any change to the address or facsimile number of either party shall only be effective two business days after receipt of notice thereof by the other party hereto

## **12 Council's Capacity**

The Council has entered into its obligations under this Agreement strictly in its capacity as landowner and social housing authority and nothing in this Agreement shall otherwise prejudice its position as local planning authority or under any other statutory jurisdiction

## **13 Indemnity**

- 13.1 The RSLs shall indemnify and keep fully indemnified the Council from and against all actions proceedings liability losses damages compensation costs claims and demands which may be incurred or sustained by the Council in respect of any breach by the RSLs of their obligations as provided for by this Agreement

## **14. Contracts (Rights of Third Parties) Act 1999**

For the purposes of the Contracts (Rights of Third Parties) Act 1999 the Council and the RSLs agree that they do not intend any terms of this Deed to be enforceable by any third party who, but for that Act, would not have been entitled to enforce such terms

## **15 Termination of the RSLs' obligations under Clause 2**

## **15.1 Termination by LBL**

If:

15.1.1 the RSLs fail to remedy any substantial breach of the obligations or warranties on their part herein contained following notice in writing being given by the Council setting out details of the breach, the action required to be taken to remedy the breach and a reasonable timescale (which may be immediate) within which the breach is to be remedied

15.1.2 either of the RSLs enters into liquidation whether compulsory or voluntary (not being merely a voluntary liquidation while solvent for the purposes of amalgamation or reconstruction) or a provisional liquidator shall be appointed or a receiver or manager or administrative receiver or administrator shall be appointed in respect of either RSL's undertaking or a voluntary arrangement or a scheme of arrangement is made with its creditors or anything analogous to any of the foregoing under any applicable law;

15.1.3 either RSL is struck off the Register of Industrial and Provident Societies or off the Register of Housing Associations maintained by the Housing Corporation under the Housing Associations Act 1985;

15.1.4 the RSLs without reasonable cause wholly or substantially suspend the carrying out of their duties under this Agreement

then the Council shall be entitled to and shall have the implied authority to serve (and shall serve) on the RSLs a notice terminating their obligations under clause 2 of this Agreement from the date specified in the Notice

## **15.2 Termination by the RSLs**

The RSLs acting reasonably shall at any time after completion of the Development be entitled to serve notice on the Council requesting that they

be released from their obligations under clause 2 of this Agreement. The notice shall set out in full the reasons for the request.

15.3 Following receipt of the notice the Council shall be entitled to request any further information or documentation considered necessary by the Council to consider the request and the parties acting reasonably shall consult with each other to see whether a means of continuing to run and operate the Community Facility can be found and if not whether there is any alternative use to which the Community Facility can be put and the Council shall not unreasonably withhold or delay consent to the request for release.

15.4 If following service by the Council of a notice under clause 15.1 the RSLs do not wish to continue to run and operate the Community Facility or if the Council agrees to a request from the RSLs under clause 15.2 then:

15.4.1 the parties shall agree a timetable and programme for the closure of the Community Facility so as to ensure an orderly wind down of the Community Facility

15.4.2 the RSLs shall be responsible for notifying and liaising with all affected residents and users of the Community Facility

15.4.3 the RSLs shall for the avoidance of doubt be responsible for all costs related to or associated with the closure

15.5 Following service by the Council of a notice under clause 15.1 or if the Council agrees to or is found to have unreasonably refused a request from the RSLs under clause 15.2 the RSLs shall thereafter be released from their obligations under clause 2 (but without prejudice to any right or action or remedy in relation to any antecedent breach of any of the agreements conditions or stipulations herein contained or any loss arising in consequence of the termination or any other right or action or remedy available to either party whether under this Agreement, the Section 106 Funding Agreement, the

Overage Agreement or otherwise) and the other provisions of this Agreement shall remain in full force and effect.

**16 Termination of the RSLs' obligations under clause 4**

The RSLs' obligation under clause 4.1 of this Agreement shall cease and determine upon the termination of the SRB Funding Agreement

**17 Alternative Use**


Any alternative use of the Property following the closure of the Community Facility shall be subject to the prior written approval of the Council not to be unreasonably withheld or delayed and for the avoidance of doubt to the RSLs obtaining all necessary consents including but not limited to planning permission

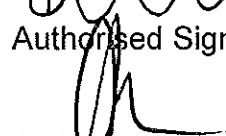
IN WITNESS whereof the parties have executed this Deed the day and year first before written

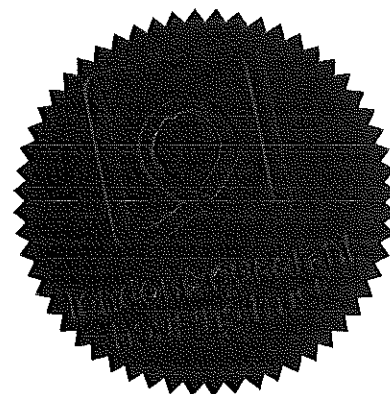
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Mayor and Burgesses of the            )  
London Borough of Lewisham        )  
was hereunto affixed in the)  
presence of:                                    )

for Head of Law

The Common Seal of )  
London & Quadrant )  
Housing Trust was )  
hereunto affixed in the )  
presence of )

  
Authorised Signatory

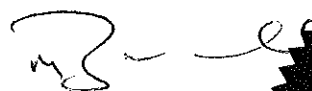
  
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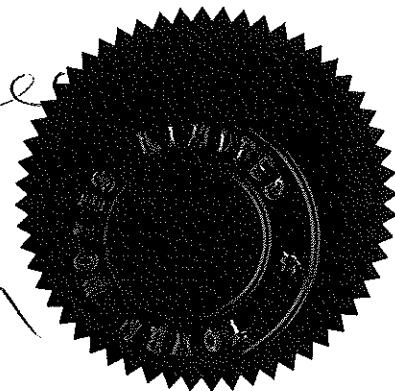
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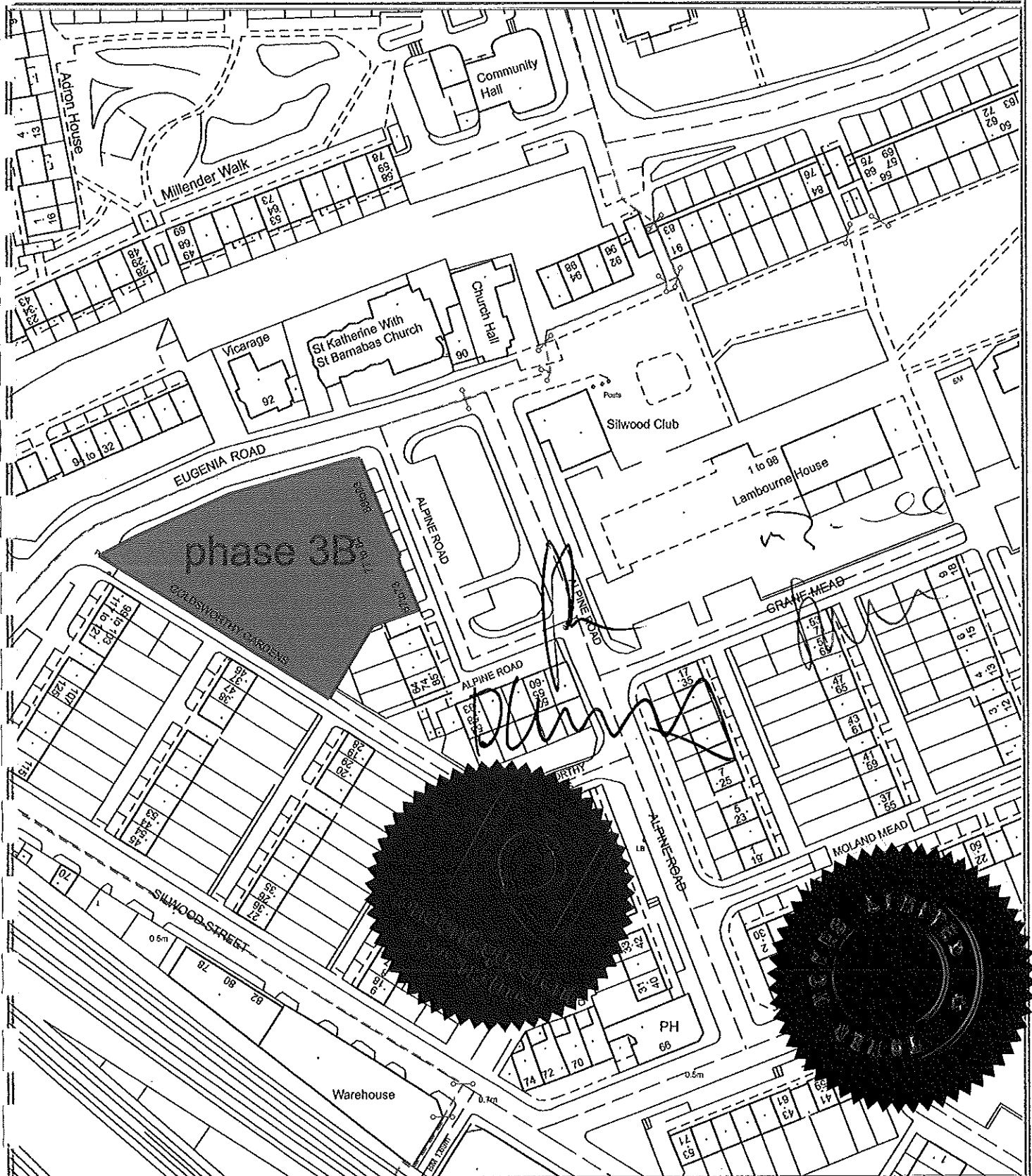








# Site of Silwood Phase 3B London SE16



location plan scale 1:1250

based on the  
Ordnance Survey Map  
licence no.: LA075221

crown copyright  
conveyancing phase 3b.06

drawing ref.: phase 3B Silwood Plan A.

date: 05.01.2006

drawn: acm

coloured: acm

checked:

amend plans revised 02/08/06 I RH

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DataGraphics

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**Lewisham**

**P**ROPERTY AND  
**D**EVELOPMENT

# Schedule 1

## Business Plan

**Silwood  
Community Facility**

**Business Plan  
September 2006**

**London & Quadrant**

## **Executive summary**

A major part of the legacy of the Silwood SRB5 programme is the creation of a thriving community facility, which this business plan addresses.

The Silwood SRB5 programme dramatically transformed the SRB area and has drawn to a close. An important part of its legacy is the establishment of a thriving and sustainable community facility that will house a cluster of services for local people and build on the SRB momentum of resident involvement and management. The facility will replace several community facilities demolished as part of the SRB programme delivery and the regeneration of the Silwood area.

The new building will include the community facility on the ground floor with key worker accommodation above, through Tower Homes, which will provide an income stream to help support the facility. The building will be funded largely by SRB and Planning Gain, with contributions from other sources.

Building a sustainable community is a focal point in L&Q's work. Striving to 'create places where people want to live' involves building social capital both in terms of people and buildings. The community centre will allow for opportunities to be provided for a range of activities both recreational and educational aimed at developing the existing community and integrating the new. Situated in the heart of the Silwood development, this centre will be the beacon for information, advice, guidance, education and leisure activities. It is envisaged that a core 'user group' will be making use of the building: Youth Project, Silwood Cyber centre, Soft Play Lewisham, Early Years Service, Good Neighbours and Tenants and Residents Associations.

The business plan proposes a sustainable management model for the community facility based on financial viability and capacity building residents to create social capital.

## **Aims and Objectives of the Silwood Community Centre**

- The Silwood Community Centre aims to:
- Host integrated leisure, youth, educational and community services for local people
- Act as a flagship facility for the regeneration of the Silwood area
- Provide local residents with a community resource in close proximity to where they live
- Act as a focus for improved leisure and recreational facilities for local people in the area
- To improve investment into the area
- Improve the quality of life for local residents by hosting a range of services through the user group for local people to participate in and recommend to others.

## **Specific Objectives**

- To act as a focal point for the local community and for the young and elderly to take part in activities through the user group
- To provide a multi purpose facility in close proximity to residents.
- The centre will provide space designated for leisure and fitness, youth, educational and community activities.
- to maintain a flexible pricing policy that provides for long term sustainability as well as meeting the needs of the local community
- to involve the community and local partners in the management and operation of the centre through a programme of consultation, regular meetings and marketing to assist in building social capital and effective programming of the facility for the benefit of the local community and partners.

## **Introduction**

This Business Plan has been drawn together by London and Quadrant Housing Trust (L&Q) with input from LBL Community Sector Unit and Silwood residents for a viable community facility on Silwood estate as part of the forward strategy for the SRB programme and as part of L&Q's regeneration of the area.

## **Background; The pre SRB context and the aims of the SRB programme**

Silwood was a high density neglected 1960's estate with high levels of deprivation. The SRB programme objective is to regenerate the Silwood SRB area, by;

- The physical regeneration of the Silwood estate,
- The estate and wider surrounding area becoming a place where people aspire to live and work as a result of the SRB supporting social, educational, economic and environmental projects.

The result will be a stable, inclusive and vibrant community to which all residents will feel they belong, by:

- Creating opportunities for life-long learning and living
- Creating a "New Silwood" comprising high quality, safe homes, community facilities and open spaces.

The programme objectives were delivered through 5 key themes

1. Homes for the 21<sup>st</sup> Century
2. Learning Curves
3. A focus on young people
4. A safe and sustainable environment
5. Economic development

## **Programme outcomes and forward strategy**

The SRB Forward Strategy and the Community Development Forward Strategy identify the widespread successes and achievements of the SRB programme. They also identify the importance of building on the successes of the programme, learning from experience, and planning for delivery of services beyond the life of the SRB programme.

The Community Development Forward Strategy notes that community capacity building is essential for sustainable outcomes to be maintained, and that the community facility will play a very important part in delivering this.

## **The demographic and strategic context**

The current demographic makeup of the Silwood estate is significant for the role of the community facility, particularly in terms of the youth and black or minority ethnic population.

Based on projections from the completion of the earlier phases, the 539 rebuilt social housing units are expected to house 1400 people by end of the scheme. 50% of this population will be 18 years or younger. In the early years following allocation of the properties based on need, the population is likely to be highest and include the largest proportion of young people. In addition to the social housing, there's a further 370 private sale units due to be constructed on Phase 4B and 4C. Although their impact on demographics is not yet certain, attendance at recent regeneration meetings and community events by some of the new private owners suggest that they are willing to become actively involved in the local community and decision-making about the area's/estate's future.

The Silwood SRB Baseline Survey (2001) noted that 37% of the target population was black or minority ethnic.

Unemployment figures in 2003 showed unemployment in Evelyn ward at 9.6% compared with the Lewisham average of 6.5%, furthermore unemployment among ethnic minorities is significantly higher than the average.

The Baseline Survey also noted that 1 in 6 residents have been a victim of crime, and that fear of crime is high.

## **Wider and strategic government funded programmes**

Parts of the Silwood SRB area have come under new long-term government funded schemes, namely

- Evelyn Neighbourhood Management Scheme. A 7-year scheme running 2002 – 2009
- South Bermondsey and North Livesey Neighbourhood Management Pathfinder Scheme. A 7-year scheme running 2004 – 2011
- New Cross Gate New Deals for Communities. A 10-year scheme running 2001 – 2011
- Sure Start Evelyn (Round 5 programme)
- Sure Start Grinling Gibbons (Round 5 programme)
- Sure Start Rotherhithe (Round 5 programme)

These schemes should also have a positive impact for voluntary and community organisations, and on the way mainstream services are delivered in the SRB area. The Silwood Community Facility will also have the potential to support delivery of these schemes.

## **The need for the community facility**

The need for the new community facility can be set out as follows;

- to provide permanent accommodation to replace facilities demolished as part of the SRB delivery, and,
- to provide a focus of service activity to help deliver social development and cohesion objectives as part of the SRB forward strategy.

As part of the redevelopment of the estate, the SRB programme delivery has involved the demolition and temporary accommodation of several community facilities;

- The Youth and Community centre,
- Silwood Tenants Hall, (which provided services to elders, tenants meetings, etc),
- Soft Play,
- Good neighbours scheme,
- Five Steps Nursery, (which will be provided with a like for like replacement, to be completed shortly)
- Montessori nursery, (no longer present on the estate).

Most of these, as well as other new organisations, such as the Cybercentre, (an IT training and employment advice centre), are currently delivering important local services from temporary accommodation.

The SRB programme has sustained a good level of resident involvement. Capacity building has secured a contribution to the management of the programme, through the Regeneration Forum, Community Safety Forum, Consultation Group, and Housing Management Group. The proposed community facility will provide a means to continue to engage residents in the delivery and management of services for local people.

The facility could also become the focus for a range of social and community development good practice, particularly volunteering, and provide the opportunity to develop new services to meet local needs. This role seems to be underlined by a finding of the Silwood 2001 survey, which found that residents had a negative perception of the availability of services.

The replacement building for Five Steps Nursery will be completed in late 2006. The provision for children at the new community facility will include Soft Play, and synergy with other children's uses will be sought where possible, e.g. pre- or after- school activities.

There are no comparable community facilities nearby, so the proposed centre is likely to be able to service an area wider than the local estate.



## Schedule of Accommodation

L&Q will work with partners to ensure that the mix of facilities and space within the Centre meets the current and future needs of residents and accommodate the User Groups. The key functional areas of the Centre are as follows:

Area	Description	Use
Hall	Ground floor  Area proposed to be used by youth group	light Leisure/Recreational  Possible uses include: Badminton, Netball, Gymnastics, Indoor Athletics,  Tia Chi, elderly lunch club
Office 1	General Office Room	Lewisham and Silwood TRA Use
Office 2	General Office Room	General Use
Office 3		General Meeting Room
Playspace/Crèche	located on ground floor adjacent to reception.	Safe, fun and educational environment for children  Lewisham Early Years Under 5s Generations Club
ICT Suite	First floor with breakout space upstairs, access to outside area	ICT training courses for local people.  Courses  Individual use  Internet access  Youth activities

## **The building funding package**

A condition of the SRB programme was to re-provide all the current community facilities now demolished under the regeneration scheme, and the most effective way to do so is to provide most of the services within one building, with the single largest use, Five Steps Nursery, in a separate building.

London and Quadrant Housing Trust (L&Q), are the selected partner to deliver the housing element of the SRB programme, (together with Presentation Housing Association). L&Q have been asked by Lewisham Council to produce a plan to build the community facility.

In the very early stages of the SRB programme, £3,334,000 of S106 Planning Gain was secured as part of Phase 1 of the development specifically in order to re-provide the community facilities.

SRB Capital funds have been identified by the partnership board to invest in the creation of 25 intermediate rent (IMR) key worker flats, over and above the number of homes in the original programme. These units will be constructed above the community facility and will provide a revenue stream to help support the community centre, and together with a further 8 flats for sale, will add further diversity to the tenure mix.

The SRB contribution is £2,240,000, which will be used by L&Q to build 25 flats above the community centre. A condition of this investment is that a revenue stream equating to £25 per week from each flat will be used to support the community centre, in perpetuity. The flats, a mix of 1 and 2 bed units, will have their own entrance and separate utility supplies, allowing separate management from the community facility.

Both the flats and Community Facility will be owned and managed by Tower Homes (a division of L&Q).

Further funding for the IMR units will be provided by L&Q from affordable loan of approx £766,000, and other input of approx £184,000.

The community facility occupies the ground floor of the building and will cost £1,964,728. This will be funded through S106 monies allocated for the re-provision of Silwood community facilities.

The community facility and key worker flats need to work as a viable and affordable option, which delivers a revenue stream in perpetuity. Lewisham officers have scrutinised the financial model and have accepted that this is only possible if the land is disposed of at nil value.

## Building Costs and Funding Sources

<b>25 IMR flats - Costs</b>	
Works	£2,616,060
Fees, design and contingency	£574,215
<b>Total scheme cost</b>	<b>£3,190,275</b>
<b>Funding</b>	
SRB	£2,240,000
L&Q private finance	£950,275
<b>Total Funding</b>	<b>£3,190,275</b>

<b>Community Facility - Costs</b>	
Works	£1,538,700
Fees, (design & consultancy)	£426,028
<b>Total</b>	<b>£1,964,728</b>
<b>Funding is 100% from Section 106</b>	
	<b>£1,964,728</b>

### The building programme

	<b>Date</b>
Planning permission for the scheme granted	1 <sup>st</sup> December 2005.
Land acquisition	30 March 2006
Start on site	30 March 2006
Practical completion	July 2007

### The building facilities and the main occupiers

The community facilities will consist of;

- Training office for the Cybercentre.
- Office space for Good Neighbours sharing with both Tenants and Residents Associations.
- Office space for the Youth Service.
- Accommodation for Soft Play.
- Office for premises management functions/reception.
- Meeting /training rooms for hire, (28 sq metre & 10 sq metre).
- A large main hall for service delivery and hire e.g. youth service, social functions, elders provision, etc. (244 sq metre)

The Cybercentre is likely to have a near permanent office/ training presence during the day, and there is likely to be significant office presence from at least one other user. These users are established organisations, have confirmed their willingness to pay identified rental levels, and are not in need of intensive on-site support.

The intention is to maximise available space for new projects, and make full use of the accommodation, by users sharing space where possible.

The facilities available for hire provide an excellent community resource, with potential to develop exciting new community projects and other options including income generation. However they are essentially modest in scale, consisting of the hall and small meeting rooms. Consequently the staff resources to support them should be proportionate in scale.

### **The financial model**

We have assumed that financial viability should be based as much as possible on self generated income, and independence from long term or ongoing grant support, and that this is essential for a sustainable and thriving community facility. Our understanding of the voluntary sector funding "market" is that it is under stress with the wind down of SRB and EU regimes, and the competition with major projects such as the 2012 Olympics, among other factors. Therefore we have sought as prudent a model as possible.

Our approach has been to explore possible income options and use assumptions based on cautious estimates in all cases. We have reviewed these assumptions as much as possible with LBL Community Sector Unit and in comparison to other similar facilities of size and type.

The financial model shows that a viable community facility can be sustained. It is based on buying in external capacity building and premises management services as necessary, while providing sufficient on-site staffing levels and all running costs. It will also provide a small surplus which can be used to deal with unforeseen issues, such as emergency staff cover, as well as to build capacity of the Silwood residents and the services delivered at the facility. Likewise it may be recycled into the provision of other community services or used to provide match funding for future projects that may emerge.

We have noted the financial benefits of rate relief available for charitable occupiers/ lessees. This has a significant bearing on the financial model, and we have assumed that L&Q will be successful in receiving rate relief by administering the facility through their charitable arm. This outcome will be confirmed in due course, and in any case the model generates a surplus and contingency that could cover full business rate costs.

We have also considered an alternative financial models based on full on-site staff presence providing all centre management/development functions. However we have concluded that this approach results in very high staff costs, and so expenditure exceeds self generated income. Consequently it requires successful fundraising input from the outset, both to help the occupiers pay their rent, but also to fundraise for core costs, which is usually very difficult. We have concluded that at this stage a modest staff presence is

required with fundraising support to user groups to enable them to meet competitive rent levels.

### **Management/staffing options and the preferred management structure**

Consideration of the management structure is driven by the following factors;

- A modest scale of income generating facilities and inability to bear the full range of staff support and functions on-site.
- The need to continue the SRB momentum of building social capital, and residents' capacity to manage and deliver services.
- The opportunity to provide 15 months capacity building time prior to the building opening.

We have considered three possible management options with a view to financial viability. These include,

1. 24/7 on-site staff presence, to deliver premises management, resident capacity building and fundraising.
2. management of the premises by one of the occupying organisations, who take on a lead role.
3. modest staff presence moving towards a resident led CDT to manage the Centre under a lease arrangement

### **Selecting the preferred option**

1. Option 1 has been discussed in the previous section, and identified as being a high risk strategy. We have therefore rejected it.
2. Option 2 has the merit of probably being affordable. However, it will change the character of the facility, and require a different role for the resident element of the management committee, which will not develop a particularly high level of social capital. Additionally, none of the expected occupiers are understood to be in the position to take on this role, and so the approach incurs a substantial level of risk.
3. Option 3 has the merits of being affordable, and because it maximises the social capital of Silwood residents is also the most sustainable. It has therefore been considered in most detail below.

## **Preferred option**

L&Q will ensure that the Community Centre meets the current needs of local residents and attracts sufficient new business to act as a sustainable facility. The long term aim of L&Q is to work with residents and the user group to develop a Community Development Trust (CDT) who, with support from L&Q Community centre staff and local partners, will be responsible for the management and development of the Community Centre under a lease agreement, this requires:

- A management committee that has a strong resident-led presence, based on 15 months of capacity building prior to building completion.
- Capacity building and developmental support being provided/ bought in from appropriate Borough based organisations. A range of organisations are likely to contribute, including VAL, L&Q, and organisations which have undergone similar development processes and can bring appropriate expertise, including expertise in enabling volunteering. E.g. 2000 Community Action Centre.
- Buying-in premises management services as appropriate, such as management of caretaker/concierge staff, financial management, room booking services, etc. The provider is likely to be a nearby voluntary organisation, and able to achieve economies of scale.
- Modest on site staff presence

This approach builds on several available resources.

- The existing social capital of Silwood residents built up under the SRB programme, and the momentum of community involvement that the SRB legacy needs to address.
- Local organisations with comparable experience and expertise to support and build the capacity of Silwood residents to manage and develop the community facility.
- A vibrant and supportive voluntary sector in the Borough through VAL
- A wealth of community premises management experience from both L&Q and the Borough Community Sector Unit, which both organisations are willing to contribute.

## **Additional budget for capacity building – request for £124,750 Planning Gain**

In order to deliver the preferred option for the community facility the 15 months prior to build completion require a programme of capacity building for Silwood residents and voluntary organisations.

This is proposed to include;

1. 60% of a capacity building post (PO1) for 15 months during construction, with a full time worker for the first 15 months of operation of the Community Facility. The worker will be managed and provided from a local organisation with appropriate expertise. Costs are £25k for the first 15 months, then FTE £41k for the first 15 months of operation).
2. Management support from the providing organisation, £5.5k management, plus £6k premises costs p.a.
3. A small capacity building and training budget of £12k p.a.

The proposed budget is therefore.

2006/07	2007/08	2008/09 (6mths only)	Total Planning Gain
£43,500	£53,100	£28,150	£124,750

## **Forward planning and future “markets” for services**

This Business Plan proposes a sustainable model for the Silwood Community Facility, and sketches out the direction of its future development. It is very much a ‘live plan’ and will be subject to further modifications and refinements throughout the development phase. It is suggested that further work will be helpful, to explore a capacity building plan to work with Silwood residents, as well as possible “markets” for the Community Facility.

## **Risk analysis**

NATURE OF RISK	CONTROL MEASURES
The management model through the Centre Staff and CDT is unable to cope without support from L&Q.	<ul style="list-style-type: none"> <li>• The resident management committee will be trained to develop quite strong leadership roles, including a sense of “ownership” of the operation and future direction of the Community Facility.</li> <li>• Potential capacity building organisations and premises management organisations are nearby, and will train and provide roving support to staff.</li> </ul>
Key user organisations are unable to fund raise to pay rent.	<ul style="list-style-type: none"> <li>• The capacity building phase will include supporting tenant organisations to fund raise to pay rent.</li> <li>• L&amp;Q have also offered to support tenant organisations to fund raise to pay rent.</li> <li>• The tenant organisations have agreed the rental levels proposed.</li> </ul>

<p>Conflict between users and/or management committee, and or Housing Association.</p>	<ul style="list-style-type: none"> <li>• The capacity building work will include development of a mission statement and common purpose of the Community Facility.</li> <li>• Users and management committee will be required to sign up to a code of conduct.</li> <li>• L&amp;Q are committed to the success of the Community Facility, will provide support at the capacity building stage, and be represented on the management committee. Together with LBL CSU, who will also be involved, they have a wealth of experience of successful community premises management.</li> </ul>
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## **Conclusion**

The Silwood community facility will provide a vibrant hub of activities and services delivered from the heart of the estate, and will help build social capital on the estate. This Business Plan has considered several options for its management and development and proposes a model that is both financially viable and also integrates community capacity building, so that it continues the SRB momentum of building social capital among residents on the Silwood estate.



# Appendix A; Silwood Community Facility Business Plan

STAFF COSTS	2007/08	2008/09	2009/10	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	Total	Explanatory notes
Centre Management	45,500	44,588	45,702	48,845	48,016	48,216	50,447	51,708	53,001	433,022	
external premises management	6,750	6,919	7,092	7,289	7,451	7,637	7,828	8,024	8,224	67,193	
financial management	2,700	2,798	2,837	2,938	3,040	3,095	3,151	3,209	3,269	26,877	
Room booking service	1,884	1,894	1,884	1,708	1,748	1,782	1,817	1,853	1,890	15,768	
accountancy fees	2,000	2,050	2,101	2,154	2,208	2,263	2,319	2,377	2,437	19,909	
emergency cover, contingencies	6,000	5,000	5,125	5,253	5,384	5,519	5,657	5,788	5,943	49,881	
<b>Total staff costs</b>	<b>68,534</b>	<b>67,047</b>	<b>68,521</b>	<b>71,039</b>	<b>71,767</b>	<b>72,482</b>	<b>74,211</b>	<b>75,000</b>	<b>76,255</b>	<b>600,960</b>	
<b>STAFF OVERHEADS</b>											
Staff Training	1,000	1,025	1,051	1,077	1,104	1,131	1,158	1,186	1,218	7,930	
Staff Recruitment	800	815	830	846	862	878	895	913	931	4,750	
<b>Total staff overheads</b>	<b>1,800</b>	<b>1,840</b>	<b>1,881</b>	<b>1,923</b>	<b>1,966</b>	<b>2,009</b>	<b>2,053</b>	<b>2,099</b>	<b>2,149</b>	<b>12,680</b>	
<b>OPERATIONAL OVERHEADS</b>											
Printing, stationery & post	500	513	525	538	552	566	580	594	608	3,965	
Photocopying Machines	900	923	946	969	993	1,018	1,044	1,070	1,097	7,137	
Refuses Services	1,200	1,230	1,261	1,292	1,325	1,358	1,392	1,426	1,462	9,515	
Water/Gas/Electricity	4,000	4,100	4,203	4,308	4,415	4,526	4,639	4,755	4,874	37,718	
Non Domestic rates	4,000	4,100	4,203	4,308	4,415	4,526	4,639	4,755	4,874	39,818	
Insurance	1,500	1,538	1,578	1,615	1,658	1,697	1,740	1,783	1,828	14,932	
Security	2,500	2,593	2,627	2,662	2,700	2,739	2,779	2,820	2,862	24,886	
Maintenance (inc Cylcat)	3,200	4,800	4,920	5,043	5,169	5,298	5,431	5,567	5,708	37,133	
Telephone costs	1,200	1,230	1,261	1,292	1,325	1,358	1,392	1,426	1,462	9,515	
Cleaning	6,240	6,398	6,558	6,720	6,888	7,059	7,233	7,411	7,593	49,480	
Publicity/marketing	1,500	1,538	1,578	1,615	1,658	1,697	1,740	1,783	1,828	11,894	
License/laundry expenses	1,250	1,281	1,313	1,348	1,380	1,414	1,450	1,488	1,523	9,912	
<b>Total office overheads</b>	<b>27,900</b>	<b>30,210</b>	<b>30,905</b>	<b>31,739</b>	<b>32,533</b>	<b>33,346</b>	<b>34,180</b>	<b>35,034</b>	<b>35,910</b>	<b>233,706</b>	
<b>TOTAL REVENUE EXPENDITURE</b>	<b>96,434</b>	<b>97,257</b>	<b>99,426</b>	<b>102,778</b>	<b>104,733</b>	<b>106,491</b>	<b>108,361</b>	<b>110,034</b>	<b>112,165</b>	<b>834,666</b>	
<b>Guaranteed Income</b>											
Fits above	32,500.00	32,500.00	32,500.00	32,500.00	32,500.00	32,500.00	32,500.00	32,500.00	32,500.00	292,500.00	
Cyber Centre	12,790.00	13,237.65	13,700.97	14,186.50	14,676.32	15,169.51	15,722.18	16,274.45	16,841.98	132,613	1270k @ £10 per sq ft
Office space 1	2,016.00	2,086.56	2,159.59	2,235.16	2,313.41	2,394.38	2,478.17	2,564.91	2,654.89	20,903	100k @ £12 per sq ft
Office space 2	1,920.00	1,967.20	2,016.75	2,126.74	2,203.24	2,280.36	2,360.17	2,442.78	2,528.27	19,908	100k @ £12 per sq ft
Sort play area	8,048.00	8,329.08	8,621.22	8,924.98	9,235.27	9,558.50	9,893.05	10,239.30	10,597.88	83,446	100k @ £12 per sq ft
Hall space	14,040.00	14,531.40	15,040.00	15,568.40	16,111.22	16,675.12	17,258.74	17,862.80	18,488.00	145,374	£15 per hour for 6 hours 3 nights/week
LEL endowment	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	45,000	
Tenant surgeries	2,800.00	2,895.00	2,991.00	3,088.00	3,186.00	3,285.00	3,385.00	3,486.00	3,588.00	28,800	
L&O Community Growth Fund	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	45,000	
<b>Total</b>	<b>83,914</b>	<b>85,337</b>	<b>86,910</b>	<b>88,534</b>	<b>90,210</b>	<b>91,941</b>	<b>93,728</b>	<b>95,573</b>	<b>97,473</b>	<b>807,657</b>	
<b>Other Income</b>											
Private Hire	5000	6000	8000	10000	12000	14000	15000	16000	17000	100,000	
<b>Total</b>	<b>88,914</b>	<b>91,337</b>	<b>94,910</b>	<b>98,534</b>	<b>102,210</b>	<b>105,941</b>	<b>108,728</b>	<b>111,573</b>	<b>114,473</b>	<b>817,657</b>	
<b>Profit/loss</b>	<b>-3,210</b>	<b>-3,460</b>	<b>-2,357</b>	<b>-1,263</b>	<b>-176</b>	<b>902</b>	<b>973</b>	<b>1,037</b>	<b>-2,073</b>		
<b>Cumulative</b>	<b>-3,210</b>	<b>-6,670</b>	<b>-9,026</b>	<b>-10,289</b>	<b>-10,465</b>	<b>-9,563</b>	<b>-8,590</b>	<b>-7,552</b>	<b>-9,626</b>		

Explanatory Notes  
Initiation taken to be 2.5%  
Capacity Building and Residents Training are funded initially through Planning Gain, and so commence here in 2009/10  
The Planning Gain income for capacity building the project is NOT included in this Appendix. It consists of:  
2008/09 Total  
2009/10 Total  
2010/11 Total  
£43,500.00 £28,150.00 £124,750.00

## capacity building

PO1 for 15 mths @60% FTE  
then 100% FTE for 15 mths

management contribution  
PO2£33691 up to  
PO4 £39274. and so on with  
increments

sub total  
20% on-costs

grand total

grand total plus inflation @2.5%

year 1	*60%
31464	18878.4
	5583
	24461.4
	4892.28
	29353.68
	29353.68

Year 2	3 mths@60% *25%	9mths FTE *60% *75%
32276	4841.4	24207
5627		
		34675.4
		6935.08
		41610.48
		42650.74

Year 3	6 mths *50%	lifetime total
32892	16446	
5618	2809	
	19255	
	3851	
	23106	
	23683.65	95688.072

capacity building budget	10000	12000	6000	28000
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grand total incl capacity building	39353.68	54650.74	29683.65	123688.072
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## Silwood staff roles

	assumptions	no of weeks	hours per week	pay per hour	total cost
<b>caretaker/ concierge</b>					
day time	estimate 20 hrs p.w.	44	20	£8	£7,040
evening	4 *6hrs session p.w.	44	24	£12	£12,672
w/e	1*12 hr session each fortnight	44	6	£12	£3,168
<p>Prudent assumptions include higher costs than comparable hours of activity for income . It may be possible to develop this role to include bookings, etc.</p>					
<b>external premises management</b>					
	Hourly rate is based on PO4 plus 20% on costs	50	5	£27	£6,750
<b>financial management</b>					
	Hourly rate is based on PO4 plus 20% on costs	50	2	£27	£2,700
<b>Room booking service</b>					
	Hourly rate is based on SO1 plus 20% on costs	44	2	£18	£1,584
<b>Capacity building support</b>					
	Hourly rate is based on PO4 plus 20% on costs	50	2	£27	£2,700
<b>accountancy fees</b>					£2,000
<b>emergency cover, contingencies</b>					£5,000
<b>total all staff costs</b>					<b>£43,614</b>

salary increments not accounted for

ditto

ditto

ditto

**Schedule 2**  
**Revenue Stream Calculation**

There are 9 x one bed flats and 16 x 2 bed flats.

The weekly payment per flat ("the Revenue Stream Contribution") in the year commencing on the Commencement Date shall be £25 per flat.

The total annual payment in the year commencing on the Commencement Date shall be £32,500 (£25 x 25 flats x 52 weeks = £32,500 per year.)

In each successive year, the Revenue Stream Contribution for each flat for that year shall be the Revenue Stream Contribution for the previous year varied by RPI + 0.5% SUBJECT TO the revised Revenue Stream Contribution, when added to the Gross Rental Figure for the flat for the year in question, not exceeding 80% of the current weekly Market Rental Value of the flat. In the event that this is the case, then the Revenue Stream Contribution and the Gross Rental Figure for that flat shall be adjusted in equal proportions so that when added together they do not exceed 80% of the current weekly Market Rental Value of the flat.

"Gross Rental Figure" means the weekly rent for a flat inclusive of voids and bad debts but exclusive of the Revenue Stream Contribution for that flat

"Market Rental Value" means the rent at which a property in good condition might reasonably be expected to let per annum without a premium, unfurnished and on an assured shorthold tenancy with vacant possession in the open market when offered by a willing landlord to a willing tenant upon the terms that the tenant is responsible for the decorations of the interior of the property and the landlord being responsible for the repair and maintenance of the structure and external decorations of the property including the common parts thereof.

The value for RPI is the figure for the month of September preceding the year of assessment, based on the all items RPI or such other definition as may be specified from time to time by the Housing Corporation.