


<p>Item Number: 4</p>	<p>South Kilburn Partnership</p>  <p>Report from: Mike Wilson, Chief Executive</p>
<p>FOR : Action</p>	
<p>Report Title: SKP Succession Strategy SOUTH KILBURN PARTNERSHIP BOARD AND SOUTH KILBURN NEIGHBOURHOOD TRUST</p>	

1. SUMMARY

The purpose of this report is to seek the Partnership Board's views on the vision for the legacy for the South Kilburn Partnership which includes both the South Kilburn Partnership Board and the South Kilburn Neighbourhood Trust. The vision has to be developed within the framework of the CLG Succession Strategy Guidance for NDCs which is attached as an appendix to this report. A recent update to this Guidance note, Note 44a, requires us to submit a detailed Succession Strategy to CLG by October 2009.

The outline NDC Succession Strategy was approved by the NDC Board in July 2008 and at the LB Brent Executive meeting on the 4th August 2008 when it was agreed to set up the South Kilburn Partnership Board to deliver the last two years of the NDC funded programme and also to explore the potential for setting up a Community Trust. Subsequently, on the 15th December 2008 the Executive approved the setting up of the South Kilburn Neighbourhood Trust and agreed the draft Constitution. The South Kilburn Neighbourhood Trust was constituted and registered as a Co. Ltd by Guarantee in December 2008 and in March 2009 received charitable status. At their meeting of the 15th July 2009 The Executive considered a comprehensive report on South Kilburn which included references to and recommendations on the SKP Succession Strategy and these are detailed below in the body of this report.

2. RECOMMENDATION

- That the Board note the requirements of CLG guidance Notes 44 and 44a

- That Board members consider and comment on the proposals outlined in the 'Vision' (para. 3.8)
- That Board Members brief their organisations on the potential on-going commitment beyond March 2011.
- That LB Brent consults partners through the Local Strategic Partnership to seek approval for, and commitment to, the South Kilburn Succession Strategy.

3. DETAIL

3.1 Communities and Local Government (CLG) recently issued Guidance Notes 44 and 44a to provide a framework for NDCs developing their Succession Strategies; these notes build on other guidance previously issued and make it a requirement for NDCs to submit their Succession Strategies to CLG for approval. The SK Succession Strategy must be approved by LB Brent and be supported by partner agencies before submission to CLG and it is therefore necessary for all these key stakeholders to have a shared vision of, and commitment to, the Succession Strategy. To quote Guidance Note 44:

"This guidance gives a framework within which succession strategies must be prepared. It intends to support improvements being sustained and continued within the area, in a way that is consistent with local priorities, strategies and delivery mechanisms. Any succession strategy will only be effective if it has the committed support of local partner agencies, including, but not only, the local authority. To that end, Government will be seeking evidence of this local commitment in approving each strategy."

3.2 There is a clear expectation that there will be a strategy for the South Kilburn NDC area beyond March 2011, which is has the full commitment of the Local Authority and supported by partners when the NDC funding comes to an end. This Strategy should show how local partners will be involved; be relevant to the local area and support the investment already made through the NDC programme. Guidance Note 44 states:

"By the end of the programme, Government will have provided grant funding for the 39 NDCs for a period of ten years. The budgets for 2008-09, 2009-10 and 2010-11 were allocated on the basis that all NDCs must develop succession strategies. Government's key policy aims for succession strategies are that they must:

1. Demonstrate clearly how the improvements made within the NDC area will be sustained beyond Government funding and into the long term (at least 5-10 years). Particular requirements are that:

- *Outcomes to be delivered are aligned with Local Area Agreements (LAA) outcomes and other local priorities;*
- *The community continues to be empowered and the community leadership established is continued*

2. Ensure assets generated by the NDC grant are safeguarded to continue to benefit the NDC area residents into the long term, and

3. Financial viability, including financial viability of any successor body.

We want succession strategies to be clearly placed in the context of the local delivery landscape clearly showing the contribution they will make to the LAA and other local strategies. Agreement from local partners will be needed. NDCs already work in partnerships with local authorities and other strategic and delivery partners, and this is an important factor in improving neighbourhoods. It is important that key partners are involved in the development of the area's strategy and also working together to deliver improvements for the area, for example, by making use of the Local Strategic Partnership (LSP)."

3.3 We have already made significant progress in relation to the above:

- Set up the South Kilburn Partnership Board
- Set up the South Kilburn Neighbourhood Trust
- Aligned the SKP NDC funded Delivery Plan to LAA targets
- South Kilburn Partnership 15 year Regeneration Strategy for South Kilburn currently under development
- Received LB Brent and GoL approval for the elements of the Succession Strategy
- LB Brent Executive approval in principle to the "vision" for SKPB and SKNT.

The SKNT has already been very active in the first three months of its existence and has achieved the following:

- Acquired the "Texaco" and two small Council owned sites with NDC funding
- Will receive a net capital receipt of £1.3 – £1.5m from sale of assembled site, anticipated to be in September/October 2009.
- Secured £47k NDC start up funding
- Taken responsibility for managing the South Kilburn £100k "Fusion" to support local small groups and organisations.
- Responsible for holding £200k fund to subsidise St Augustine's sports hall "pay and play" and representing South Kilburn on the Steering Committee.
- May receive up to £3m from LB Brent from sale of site 11, Albert Road, as repayment for NDC funding the leaseholder buy-backs.
- In negotiation with LB Brent in relation to the future ownership of the site for the Healthy Living Centre to provide an income stream to fund core costs.

The Challenges for a Succession Strategy in South Kilburn

3.4 It is clear from a range of sources, including a recent IPSOS MORI survey in 2008 that South Kilburn still exhibits the characteristics of a deprived area. The IPSOS MORI poll also indicated that there had been a 20% “churn” in the population of the SK area in the last two years and that nearly 50% of the adult population had English as a second language. There is still a significant job to be done to transform South Kilburn into a more “balanced” neighbourhood where the life chances of residents is more similar to those for Brent residents as a whole.

3.5 The delay in the delivering the housing Master Plan has created a disjuncture between the physical and socio-economic regeneration of the area – the NDC funded programme comes to an end in March 2011 at a time when the housing redevelopment will only be starting with the prospect of a 15-20 year programme ahead. The lessons of the last 20 years experience of Regeneration have been difficult to translate into “best practice” but one basic tenet is that “new homes are not enough” and that social and economic community regeneration is essential if physical transformation is to be sustainable – a message reflected in CLG’s Guidance Note 44.

3.6 Although NDC funding ends in March 2011 there is a very significant decrease in revenue funding in the final year to c. £900k which will require a substantial reduction in SKP staffing costs to justify continuing with the programme. The capital allocation in 2010/11 is £2.7m which reflects the delayed start to the housing programme; £21m of the initial NDC Grant was allocated for housing. The SKP team, which is employed by LB Brent with an establishment of twelve, is responsible for delivering the NDC programme, winding up the programme and supporting the South Kilburn Partnership Board. When the NDC funding finishes the SKP team will be unfunded and no longer able to support the SKPB, unless partners wish to contribute towards the costs from their mainstream budgets or alternative funding sources can be found.

A vision for the Succession Strategy

3.7 As noted above much has already been achieved but what remains to be done relates to developing a shared vision for the South Kilburn Partnership Board and SKNT which is embraced by both these parties, the LB Brent and other key partners. It is very clear from the CLG Guidance that the South Kilburn Partnership Board has a key role to play in the future of South Kilburn and must be an important element of our Succession Strategy continuing beyond the end of NDC funding in march 2011; what form this might take will be the subject of a future report to the Board. The vision for SKNT will be reflected in its business plan which should be available in draft by the end of July and finally agreed by The Trustees and LB Brent by end September 2009. We are required to submit the SKP NDC Succession Strategy to CLG by October 2009 by which time we will have addressed all the outstanding issues and hopefully have agreed a shared vision for SKNT and SKPB with LB Brent and our key partners.

3.8 In order to meet this October timescale The Independent Chair and SKP Chief Executive developed a draft “vision” for presentation to the LB Brent South Kilburn Chief Officers Group in May. This had a particular focus on the SKNT as the arrangements for this new legacy body had been developed very quickly and there was a lack of knowledge and understanding of its role, and even some apprehension of its independence. The key elements of the Vision were agreed by Chief Officers and incorporated in a report to LB Brent Executive on 15th July when they were approved in principle.

The key elements of the vision are that:

- The South Kilburn Partnership Board and the theme committees continue beyond the end of the NDC funded programme in March 2011 to strengthen local governance of the South Kilburn area and provide an on-going opportunity for resident involvement as part of the Succession Strategy. The SKPB is an essential element of the Succession Strategy and in line with CLG Guidance Note 44 the SKPB could operate as a local LSP to co-ordinate and influence mainstream funding and delivery of the LAA. The SKPB could develop joint bids, pilot innovative ways of working and strengthen local delivery mechanisms.
- SKNT has a small staff team (directly employed or seconded) to service and support the South Kilburn Partnership Board and it’s Committees.
- SKNT works in partnership with those agencies delivering the Master Plan to commission social and economic regeneration projects to build capacity in the local community to protect past investment and future sustainability. It could be a valued partner in any Joint Venture that might be set up as a delivery vehicle.
- SKNT identify opportunities to contribute to the delivery of the Master Plan by utilising its capital resources, likely to be between £1.5 - £4.5m in the next couple of years, in partnership with LB Brent.
- SKNT to bid for grant funding from a range of funding bodies and charitable trusts to support the commissioning of regeneration projects.
- SKNT to play a role in the delivery of a Healthy Living Centre in South Kilburn and potentially fund the provision of some “community space” in the building. This has been a long held aspiration of the local community who see the HLC as a “legacy” from the NDC programme.
- SKNT play a key role in developing the third sector in South Kilburn through the management of the “Fusion” fund and engagement with the voluntary and community sector.

As stated above a further report with a particular focus on the key role of SKPB in the future of South Kilburn and what form this may potentially take will be subject to a further report to the Board.

3.9 This Vision is exciting and challenging and offers a real opportunity to continue the much needed regeneration of the South Kilburn area in partnership with LB Brent and other key stakeholders. It offers an opportunity to deliver the LB Brent aspiration to operate as “One Council” by co-coordinating service delivery and simplifying customer access to services. It will be attractive to GoL and CLG as it reflects their vision of an effective Succession Strategy. However, it will only be effective if the key strategic partners on the SKPB commit to attending the meetings, working in partnership and using the opportunity to improve the delivery of services to the South Kilburn community.

Funding the Vision

3.10 As noted above, partners and in particular the LB Brent, will need to support the funding of SKNT if The Vision is to become a reality. SKNT already has some revenue start up funding and an expectation of significant capital receipts from recycled NDC capital grants. Further discussion will be required with our partners to decide if the capital receipts should be used solely for capital projects or retained, in whole or in part, to revenue fund staff and other core costs.

3.11 The development of the Healthy Living Centre is an opportunity for SKNT to capture a revenue stream in perpetuity to contribute to funding core costs. This would involve the LB Brent transferring the site to SKNT at nil consideration and SKNT granting a long lease to a developer in return for an annual ground rent. Initial indications are that the annual ground rent might be in the region of £80-100k with increases linked to inflation. However, discussions with the PCT, GPs and their development partner Assura are at an early stage and other models may emerge through future discussion.

3.12 SKNT will be producing a draft Business Plan over the next 3 months; to be meaningful The Plan will need to reflect an agreed “Vision” as the income and expenditure projections needs to be based on a realistic business strategy. The discussion and decisions in relation to this paper will contribute to clarifying both the future role of SKNT and the NDC Succession strategy as both are inextricably linked.

4. FINANCIAL IMPLICATIONS

See above particularly 3.10 – 3.12

5. STAFFING/ACCOMODATION IMPLICATIONS

See above particular 3.6