

Item No. 8	Classification: Open	Date: 6 October 2009	Meeting Name: Planning Committee
Report title:		To release section 106 monies to deliver physical and economic projects associated with the Jam Factory section 106 agreement to a value of £198,978	
Ward(s) or groups affected:		Chaucer	
From:		Strategic Director of Regeneration & Neighbourhoods	

PURPOSE

1. To seek authorisation from the Planning Committee for the release of £198,798 of section 106 funding from the legal agreements with the Angel Properties (associated with the Jam Factory developments on Rothsay Street) to deliver economic and environmental projects associated with the development site.
2. To note that this recommendation seeks to release funds for a project which has not been currently identified by the community council as a priority as part of the S106 prioritisation process.
3. To ensure compliance with the Council's Constitution, the Planning Committee is to consider the expenditure of funds over £100,000 secured through legal agreements under S106 of the Town and Country Planning Act 1990.

RECOMMENDATION

4. That the Planning Committee authorise the release of funds totalling £198,798 from Legal Agreement [number S106/128052 account 408] associated with the Jam Factory developments on Rothsay Street as contributions to the cost of economic and environmental projects linked to the site.

BACKGROUND

5. The development site comprises the former Hartley's Jam Factory that is located on Green Walk in Bermondsey. This is to the south of Bermondsey Street and the west of Tower Bridge Road. The site is situated within the Central Activity Zone. The site is bounded by Rothsay Street to the north (off which vehicular access to the site's basement car park is gained), Alice Street and Green Walk (where the main pedestrian and cyclist access is situated).
6. A retrospective planning application (ref 06-AP-1116) was granted on 22 July 2008 to retain three refurbished and extended buildings and a new 5-storey Block to provide a total of 189 residential units (171 private and 18 shared ownership units), 6681sqm of live work space, a basement car park for 185 cars and to provide 251 bicycle spaces and a residents garden to the east of the site with public access during daytime hours.

7. This report seeks to release funds assigned in the legal agreement signed as part of the retrospective planning application to deliver economic and environmental projects linked to the development site.

FACTORS FOR CONSIDERATION

Projects to mitigate the impact of the development

8. Section 106 payments are secured as part of the planning permissions for the above site in order to mitigate the harmful impact of large new developments on the area, and provide the infrastructure and services to support large new developments. Two projects have been identified which can deliver new infrastructure and services in the environs of the site, as summarised in the table below (the terms of the legal agreement are attached in appendix 1):

Project	Total
Local training and skills initiatives contribution	£15,679
Improvements to Rothsay Street adjacent to the development site.	£183,299

9. The reason for combining two projects into one report are as follows:
- Providing greater clarity for members as to how section 106 monies are spent,
 - To give an overview of a number of projects from one agreement
 - To join-up projects, linking employment to public realm benefits and outputs

Employment training

10. This report seeks to drawdown £15,679 from the Jam Factory legal agreement to fund one or more employment projects to provide local residents with access to jobs.
11. The projects funded through this agreement will support residents to overcome barriers to employment and support their transition to employment in accordance with Southwark's Employment Strategy. Examples of support provided to project beneficiaries include careers information advice and guidance, workplace skills development, childcare support, access to specialist support services and support with cvs, application forms and interviews.
12. Projects to be funded will be contracted by the Economic Development Team in accordance with council Contract Standing Orders. Where such projects can be identified and meet the value for money and quality considerations applied by the Economic Development Team, priority for funding through this agreement will be given to projects that target jobs in the completed and fitted out office space in the development, or within the vicinity of the development, or projects that deliver services locally. Beneficiaries of the projects will be resident within Southwark.
13. This project will be commissioned by the Economic Development team.

Environmental improvements adjacent to the site

14. This report proposes to pool £183,299 from a number of payments within the section 106 agreement to deliver a high quality public realm scheme adjacent to the Jam Factory site along Rothsay Street as set out in the legal agreement:

- Transport Site Specific Contribution £168,500
- Cycle parking £2,760 (to provide 16 cycle spaces on the footpath adjacent to the site – see appendix 1)
- Traffic management order £2,750
- Open space £9,289

Total: £183,299

15. Rothsay Street (see figure 1) is an important pedestrian corridor linking this part of Bermondsey to London Bridge via Weston Street. This project presents a unique opportunity to improve the public realm adjacent to the Jam Factory, and create stronger connections with the surrounding estates and transport connections. Higher quality public realm will improve the appearance of the area and may attract further future investment and business development in the area.



Figure 1: Rothsay Street

16. The scheme will deliver an integrated, holistic public realm improvement project creating a high quality link between the Jam Factory and transport connections to the north at London Bridge station. A site visit has been undertaken with officers from the transport team, and a number of possible improvements have been identified which would meet the terms of the legal agreement. Depending on the value that can be achieved, this project sets out to include the following environmental improvements within the brief:

- Widen footways and rationalise parking and access along Rothsay Street
- Traffic calming measures and a raised table across Rothsay Street, connecting the Jam Factory with the Meakin Estate
- Create 16 on street cycle parking spaces
- Improve the connection between Rothsay Street and Weston Street,
- Improve the street furniture along the route, reduce clutter and improve the community safety by improving lighting where necessary
- Integrate the design with access to the new open space with the Jam Factory site
- Possible on street motorcycle parking depending on budget and space.

The prioritisation of the above elements would be developed in consultation with ward members and local residents in the vicinity of the site.

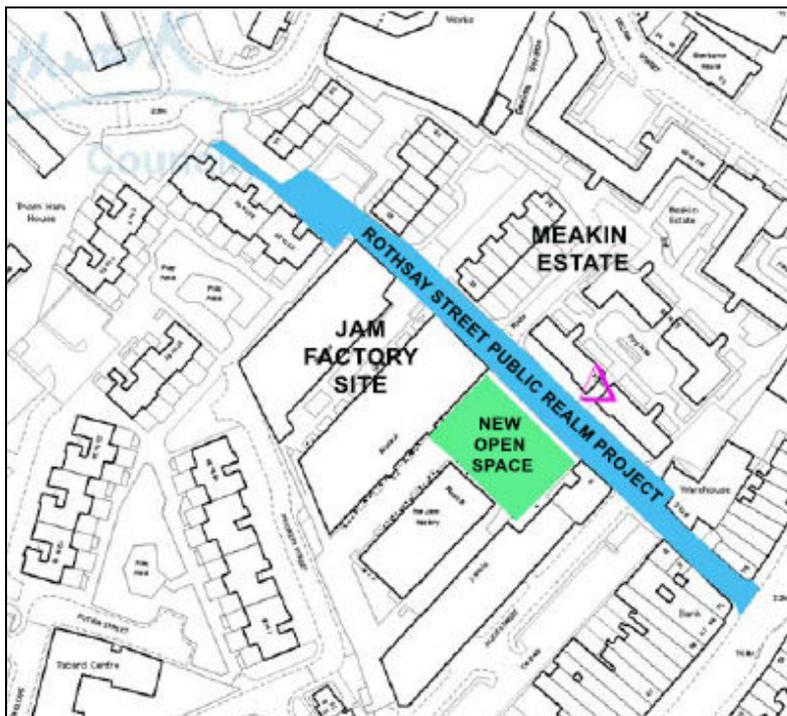


Figure 2: Site plan

17. It is proposed to use funds from the open space standard charge to deliver this project in addition to site specific transport and public realm payments. These will funds will be used to improve either the publically accessible open space which is part of the development or to create a new plaza area at the junction of Rothsay Street and Weston Street. The decision would be made following public consultation. Both these options are in line with the adopted SPD which states that: "Where limited opportunities exist to create or refurbish

open space, alternative types of open space such as Home Zones, community gardens, or public squares will be encouraged.”

18. This project will be commissioned and monitored by the Frameworks and Implementation team acting as client for the scheme. Subject to funding approval, the team will draw up a design brief for the project with local ward councillors for a detailed design. Full consultation on the designs will take place with the neighbouring occupiers.

COMMUNITY PROJECT BANK GUIDANCE AND PRIORITISATION

19. At its meeting on the 22nd July 2009, the Executive approved a list of community project bank projects for prioritisation. These priorities should be carefully considered in the case of releasing S106.

Local training and skills initiatives contribution

20. The employment training is a revenue project, and therefore falls outside the scope of the Community Project Bank prioritisation process which addresses small scale capital schemes. It is however directly associated with the economic development tariff set out in the adopted SPD and will contribute to delivery of the councils employment and skills strategy

Improvements to Rothsay Street adjacent to the development site.

21. The sums for this project are site specific transport projects (£168,500 and £2760), traffic management orders (£2750) and open space (£9289) in the legal agreement.
22. It should be noted that this is not one of the top five projects prioritised by the borough and Bankside Community Council. Under the themes of the S106 the highest prioritised projects in each theme are as follows:
- Mint Street Park adventure play ground (community facilities);
 - Dickens Square (open space/play and sport);
 - and Long Lane traffic reduction (transport).
23. It is considered that none of these prioritisation proposals would provide a direct mitigation of the impacts of this development as required by planning law. These impacts are self-evident as the planning permission was granted retrospectively.
24. Whilst arguable the Long Lane traffic reduction could be considered to have some benefit for residents of both this development and those of the adjacent Meakin Estate, officers of the Frameworks and Implementation team are already working with colleagues in Transport and Public Realm teams to deliver pedestrian improvements to Long Lane/Bermondsey Street junction as part of the Bermondsey Streetscape improvement programme.
25. There are also three public realm projects listed priority in the prioritisation report, namely Great Suffolk Street, Flat Iron Square, and Rockingham Street; however none of these are considered to offer any reasonable mitigation of the developments impact on local residents of the Meakin Estate.
26. In terms of the open space, there are four open space priority projects listed in the prioritisation report, namely: Dickens Square, Mint Street, Open space in the Elephant and

Castle, and the Scovell Estate. The closest of these projects is Dickens Square but again it would not deliver the expectation that have been raised locally, during the consultation process associated with the processing of this planning application all of which occurred prior to the development of the priorities. The open space contribution of £9,289 will be used to create a high quality access to the new open space which is being provided by the developer along Rothsay Street.

27. It should be noted that all the projects set out in this report have been developed in consultation with internal and external partners over the last 4 months, prior to the introduction of the prioritisation process. A site meeting was held on 18th June to determine proposed project expenditure with officers from the traffic team. Further discussions will be held with the residents in both the Meakin Estate and the Jam Factory and with local members to ensure that local aspirations are met.
28. The local expectation is that the Rothsay Street project, which lies alongside the site and is in a poor state of repair, would be refurbished as part of this section 106 spend.
29. The transport contribution sums of £168,500 and £2,760 were based on calculations to improve the public realm of Rothsay Street. This aspiration formed part of the section 106 negotiation with the developer in October 2007. This cost exercise for Rothsay Street formed the basis of the s106 legal agreement attached in appendix 1.

RESOURCE IMPLICATIONS

30. The resource implications are outlined above and summarised in the finance concurrent below. To deliver this programme council costs will be recharged on a project by project basis - the Economic development and strategic partnerships unit requires a programme management contribution of 5% for the above projects.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

S106 Finance and Monitoring Officer

31. The Council has received £252,374 as contributions from the developer which are not committed. This sum includes £15,679 to be applied towards Local Training and Skills Initiatives as set out above under paragraph 13 of this report.
32. Subject to the use of the funds for the public realm project being in accordance with the S106 Agreement the requested sums totalling £198,978 may be approved.

Strategic Director Communities, Law & Governance

33. The report seeks Members' comments upon the release of the sum of £198,978 from the legal agreement associated with the Jam Factory development within the Borough & Bankside Community Council area, for the purposes of delivering economic and environmental projects associated with the development site as detailed in this report.
34. The legal agreement was negotiated in accordance with section 106 of Town and Country Planning Act 1990 and Circular 05/05 "Planning Obligations". The terms of the section 106 agreements (including the conditions of a financial nature relating to payments by the

Developer) fairly and reasonably relate to; Provisions of the Development Plan; and Planning considerations affecting the site.

35. The report provides details of the funds received under the legal agreement and shows that the monies will be expended to improve the environment and transport facilities along Rothsay Street and provide local employment training, so as to benefit both residents of the development and the community in the area as a whole.
36. The agreement has been reviewed and it has been found that the proposed expenditure falls within the remit of the terms of the legal agreement as set out in the body of the report in the table at paragraph 8 above.
37. It is considered that release of funds complies with the obligations as set out in the legal agreement and Members' are advised that the recommendation to release the funds can therefore be approved.
38. The proposed expenditure may potentially have a number of Human Rights implications e.g. the right to respect for private and family life (article 8) and Article 1 (protection of property) by virtue of any individual rights that maybe affected. It is important to note that not all, rights operate the same way. Some rights are absolute (of which are very few) and cannot be interfered with or limited in certain circumstances, for example where it is necessary in order to protect the rights of other people in the community. In this instance any interference with Human Rights that may occur is considered proportionate to the legitimate public policy of seeking to improve the local environment.
39. This report is brought to Community Council Members' in accordance with Part 3H, paragraph 2 of the Constitution under the heading 'Consultative/ Non Decision Making' which requires that Members comment on proposed expenditure of funds over £100,000 from section 106 agreements.
40. The decision to approve the expenditure is reserved to Planning Committee in accordance with Part 3F, paragraph 2 under the heading 'Matters Reserved for a Decision'.

EQUAL OPPORTUNITIES

41. The project will be designed to be fully accessible to all, without prejudice or discrimination.

SUSTAINABLE DEVELOPMENT IMPLICATIONS

42. As many existing materials as possible will be re-cycled and re-used within the design. In addition, cycle and walking are being actively promoted as part of the scheme brief.

COMMUNITY COUNCIL

43. At the Community Council Planning Committee of 17th September the Committee resolved to recommend the release of the S106 monies to deliver physical and economic projects associated with the Jam Factory section 106 agreement to a value of £198,978. The minutes in paragraph 7.3 stated "*AGREED: That the Community Council support the*

recommendations listed in the report, with the addition of traffic calming in Rothesey Street.”

BACKGROUND PAPERS

Background Papers	Held At	Contact
s106 Legal Agreement	Regeneration Department,	Dan Taylor 020 7525 5450
Project Brief	Regeneration Department,	Dan Taylor 020 7525 5450

AUDIT TRAIL

Lead Officer	Alistair Huggett, Framework and Implementation Team Manager
Report Author	Dan Taylor, Principle Project Officer, Framework and Implementation Team
Version	Final
Dated	9 September 2009
Key Decision?	No

CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER

Officer Title	Comments Sought	Comments included
Legal: Gavin Blackburn	Yes	Yes
Financial: Gary Whitney	Yes	Yes
Borough & Bankside Community Council	17/9/09	Yes
Date final report sent to Constitutional Support Services		25 September 2009

APPENDIX 1**SECTION 106 LEGAL AGREEMENT**

“Cycle Storage Contribution”	The sum of £2,760 to be paid by the Developer to the Council in accordance with Clause 3.3.
	The sum to be used by the Council to provide 16 cycle storage places on the footway adjoining the Site;
“Local Training and Skills Initiative Contribution”	The sum of £15,679 to be paid by the Developer to the Council in accordance with Clause 3.3;
“Open Space Contribution”	The sum of £9289 to be put towards the creation of new Council maintained public space and the improvement of existing Council maintained public space in the vicinity of the Site;
“Traffic Management Order Amendment Contribution”	The sum of £2750 to be paid by the Developers to the Council in accordance with Clause 3.3;
“Transport Contribution”	The sum of £168,500 to be paid by the Developer to the Council in accordance with Clause 3.3;

3.3 Site and Development Contributions

- 3.3.1 On or prior to Completion to pay to the Council the Contributions in full
- 3.3.2 Not to carry out, or permit to be carried out any Alterations to Block D until such time as the Council has received the Contributions in full;
- 3.3.3 The Developers shall pay to the Council the Contributions by way of CHAPS transfer into National Westminster Bank plc Account Number 27540006 Sort Code 51-50-03 at London Bridge Branch PO Box 35, 10 Southwark Street, London SE1 1TT.
- 3.3.4 The Developers hereby covenant that no part of Block D shall be used or Occupied unless and until all the obligations contained within Clause 3 have been complied with.