

Item No. 17.	Classification: Open	Date: 22 April 2013	Meeting Name: Borough, Bankside and Walworth Community Council
Report title:		To release section 106 monies to deliver £887,506 of regeneration projects from 07-AP-2267 Bankside Hilton, Great Suffolk Street 11/AP/1341, St Ives House 11/AP/0671, Great Guildford Business Square and 10/AP/3316 Land at Ewer Street.	
Ward(s) or groups affected:		Cathedrals	
From:		Chief Executive	

RECOMMENDATION

1. To comment on the proposed release of funds totalling £887,506 from 07-AP-2267 (a/n 359) Bankside Hilton also known as land bounded by Prices Street, Bear Lanes and Great Suffolk Street 11/AP/1341 (a/n 584) St Ives House also known as the Crane Building, 11/AP/0671 (a/n 612) Great Guildford Business Square and 10/AP/3316 Land at Ewer Street (a/n 594) be released for:
 - Employment during construction (Project 1)
 - Employment and training (Project 2)
 - Ewer Street / Great Guildford Street / Lavington Street public realm and transport improvements (Project 3)
 - Great Suffolk Street regeneration project (Project 4)
 - Marlborough Playground open space improvements (Project 5)

BACKGROUND INFORMATION

2. The city blocks between Southwark Street and Union Street is being comprehensively redeveloped, with a number of key sites which are either on site being constructed, or have secured permissions for re-development which will dramatically transform the character and appearance of the area.
3. Planning obligations are legal agreements between the local planning authority, the developer and other interested parties which are used to address the impacts caused by development and contribute to providing infrastructure and facilities necessary to achieve sustainable communities. The council can enter into a legal agreement with a developer whereby the developer agrees to provide planning contributions pursuant to Section 106 of the Town and Country Planning Act 1990 (as amended). These S.106 contributions can cover a range of facilities and services.
4. Section 106 funds are released to projects and programmes as new developments come forward for implementation which triggers the payment of

sums to the council. The council has recently prepared reports for approval by members to release sums associated with the Bankside Mix development (also known as St Christopher's House), and from a number of S.106 agreements to deliver a programme of environmental and social projects along Great Suffolk Street. This report seeks to deal specifically with a cluster of developments and associated projects in the city block which extend from Southwark Street to Union Street. This report seeks to draw down funding from section 106 agreements associated with the following sites:

Agreement site	Bankside Hilton	Crane Building	Great Guildford Business Square	Ewer Street SE1
Project Address	Land bounded by Prices Street, Bear Lanes and Great Suffolk Street	St Ives House, Lavington Street	30 Great Guildford Street	Land at Ewer Street
Planning application no	07-AP-2267	11-AP-1341	11-AP-0671	10-AP-3316
Section 106 planning obligation reference	359	584	612	594
Summary of the development	Erection of an eight storey hotel with basement conference facilities	Extension of the existing five storey plus part basement office building to provide two additional floors of office space (Use Class B1), the infilling of the existing lightwell, basement extension, recladding of elevations, provision of roof terrace at first floor level facing Ewer Street, and a further	Extension of existing building with additional two storeys of B1 use office accommodation.	Erection of an eight storey building (maximum height of 26.6m to lift over-run), plus basement, comprising 150 self-contained single occupancy studio units for student accommodation together with bicycle storage,

		roof terrace at sixth floor facing Lavington		access road and landscaped areas.
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- The sites have signed section 106 agreements which include a number of payments in line with the adopted Section 106 Supplementary Planning Document (SPD). The sites for which the payments are required to mitigate the impact of development are described in Appendix 1.

KEY ISSUES FOR CONSIDERATION

Projects to mitigate the impact of the developments

- Section 106 payments are secured as part of the planning permissions for the above sites in order to mitigate the impact of large new developments on the Bankside opportunity area, and provide the infrastructure and services to support large new developments. A number of projects have been identified which can deliver new infrastructure and services in the environs of two neighbouring sites in the Bankside regeneration area (the terms of the legal agreements are attached in Appendix 1).

Project 1 Construction workplace co-ordinator[s] - Building London Creating Futures

- High levels of unemployment, low incomes and deprivation persist in the borough because of certain barriers to employment that people experience, most notably the lack of skills that are required in the jobs market. Reducing deprivation is an essential part of developing socially sustainable communities, especially in growing and intensifying communities. Sourcing local labour, and reducing the need to travel is a fundamental part of creating of sustainable communities. When development takes place, the council seeks to put in place measures to overcome barriers to employment through initiatives such as the provision of training and job brokerage.
- The three sites listed in this report are all required to make payments to the council to deliver initiatives to ensure a targeted number of local residents are employed in the construction of each development. The three projects are currently under construction, and this report seeks to approve the expenditure of the secured section 106 sums to employ locally unemployed residents in each of the live projects.
- Budget £158,607 from:

Project	Bankside Hilton	Crane Building	Great Guildford Business Square	Ewer Street SE1	Total
Address	Land bounded by Prices Street, Bear Lanes and Great Suffolk Street	St Ives House, Lavington Street	30 Great Guildford Street	Land at Ewer Street	
Construction workplace coordinator[s]	£84,675	£22,317	£37,769	In kind	£144,761
Construction Management fee		£1,720	£3,062	£8,064	£12,846

10. The Council has established the Building London Creating Futures (BLCF) programme to deliver employment initiatives in the construction industry, BLCF is a partnership with a variety of private, public and voluntary organisations committed to identifying construction recruitment needs. The project aims to find long term employment for local people in London, placing long term unemployed people in the local area into jobs in the construction industry. This report seeks to commit £145,761 from the three legal agreements to fund workplace coordinators (WPCs) to work with each project contractors to provide outreach support to place locally unemployed residents into jobs at the site. In addition to funding the work of a workplace co-ordinator, the funds will also be used to provide training and support for employed residents, to ensure they are “job ready,” and that they have access to ongoing support once placed within the construction site.
11. The legal agreements for the Crane Building, Great Guildford Business Square, and Ewer Street SE1 all include a prescribed management fee to be paid to the council for the management and monitoring of the employment programme. The total sum from these developments is £12,846, and this sum will be expended on the commissioning process for appointing, coordinating, and monitoring the workplace coordinator projects.
12. The proposed approach will contribute to the strategic objectives of the Southwark Employment Strategy by improving access to employment for Southwark residents by removing barriers to employment. Workplace Co-ordinators provide pre- and post-employment support and can provide assistance with travel, childcare and ‘soft skills’ as well as industry-specific training. The approach proposed will also closely link to the priorities identified in the Mayor’s

Economic Development Strategy and the London Skills and Employment Board Strategy.

13. Community project bank: The Building London Creating Futures programme is a revenue programme, and therefore falls outside the scope of the Community Project Bank prioritisation process.
14. This project will be commissioned by the corporate strategy team.

Project 2 Training and Employment

15. The council requires a contribution of the equivalent cost of providing a workplace co-ordinator to assist in the placement of unemployed jobseekers from the local area into jobs within the final developments. Two of the developments under construction will provide valuable local employment opportunities in two large commercial projects. The Crane Building is likely to be occupied by a single business, whilst the Great Guildford Business Square will host a variety of small and medium sized enterprises (SME's).
16. A total of £107,743 funded through these agreements 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.
17. Budget £107,743 from:

Project	Bankside Hilton	Crane Building	Great Guildford Business Square	Ewer Street SE1	Total
Address	Land bounded by Prices Street, Bear Lanes and Great Suffolk Street	St Ives House, Lavington Street	30 Great Guildford Street	Land at Ewer Street	
Training and Employment	£51,844	£20,713	£35,186	No payment – student housing scheme with no end jobs in the development	£107,743

18. Projects to be funded will be contracted by the Economic Development Team in accordance with council Contract Standing Orders. It is recommended that the targeted employment is delivered through the Southwark Works programme. Southwark Works is the council's brand for a variety of employment and training programmes, deploying a team of specialist employment advisers, who work closely with JobcentrePlus, mainstream agencies and a range of other employment and training related partners and employers. The advisers are located with a variety of service providers, each trying to tackle specific barriers to the labour market and help those furthest from the labour market throughout the borough.
19. Based within services such as community mental health teams, leaving care teams, GPs and welfare rights advisers, the employment advisers provide key guidance and support to help local people overcome these barriers and move towards the employment market. Southwark Works also has dedicated employer liaison officers (ELOs), who engage with employers and match vacancies to individual clients' needs. The programme also offers work experience across a range of public and private sector organisations.
20. In addition to the range of s106-funded projects successfully managed by the Council, Southwark Works has a strong track record in delivering section 106 projects and employment benefits for the council, including the successful Foot in the Door retail employment project supported by the More London Section 106 agreement. There is scope to match-fund the delivery of this programme with European Social Fund (ESF) funding to further maximise the impact and benefits to local people.
21. Community project bank: 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.
22. This project will be commissioned by the corporate strategy team.

Project 3 Ewer Street / Great Guildford Street / Lavington Street regeneration project

23. This report seeks to commit £346,844 to the delivery of a high quality public realm and site specific transport project along Ewer Street, Great Guildford Street and Lavington Street in line with the terms of the section 106 agreements of the adjacent Crane Building, Great Guildford Street Business Square and Ewer Street SE1 projects. The project would include measures to refurbish the two dilapidated railway viaducts at Ewer Street and Great Guildford Street which are both in a poor state of repair, and act as a barrier to movement north south through Bankside, and between the newly constructed developments and the wider area. The project will also provide hard and soft landscaping including tree planting, cycle stands, cross-overs, lighting, and signage, and would be designed in line with the principals of the Bankside Urban Forest to promote high quality public realm and open space in the area.

24. The purpose of the project is to provide high quality public realm to manage and mitigate the impact of additional students, office workers, and associated servicing requirements to the area. The section 106 sums for the project will be pooled from the public realm, site specific transport and strategic transport allocations to deliver a landscaping scheme along Ewer Street, Great Guildford and Lavington Streets.
25. The project will seek to build on the successful establishment of the Great Suffolk Street project which has been set up in a similar way, using pooled section 106 monies from developments along the street, which are then matched with funding from other sources, including the Greater London Authority and Better Bankside to deliver high quality streetscape improvements along the street.
26. Community project bank: This specific project is not listed on the community project bank however the legal agreement is specific to improvements in the immediate area as site specific mitigation. Specific site projects and projects being detailed in legal agreements supersede the community project prioritisation as the legal requirements must be fulfilled. The project does however link to the Great Suffolk Street project (first priority in Public Realm - funding secured from GLA); Great Guildford Street tunnel project (forth priority in Public Realm - funding secured from previous S106 release); and Lavington Street (fifth priority in Economic Development).
27. Budget £346,844 from:

Project	Crane Building	Great Guildford Business Square	Ewer Street SE1	Total
Address	St Ives House, Lavington Street	30 Great Guildford Street	Land at Ewer Street	
Great Guildford Street / Ewer Street / Lavington Street regeneration project	£56,775	£80,100	£209,969	£346,844

28. This project will be commissioned by the Frameworks and Implementation team acting as lead partner on behalf of a partnership board comprising Better Bankside, Design for London, and Bankside Residents Forum.

Project 4: Great Suffolk Street project

29. A partnership project has been set up with key partners Greater London Authority, Better Bankside, and the Bankside Resident's Forum to promote the regeneration of Great Suffolk Street and deliver a programme of projects which deliver high quality improvements associated with the construction of a number of projects along the street. The partnership jointly appointed a design team to develop a strategy and programme of projects along the street in January 2011. After a number of design meetings with local residents, business and stakeholders, a successful consultation exercise was carried out in August 2011, which included a popular event in the street.
30. The key concept of the project is to drive investment southwards from the successful riverside to connect with the Elephant and Castle regeneration area. After holding a number of discussions and interviews with businesses and residents along the street we have drafted a strategy and vision for making improvements to the street to benefit all, which has the following key objectives:
- to safeguard and celebrate the success of existing businesses;
 - to shift the balance of the street to slow traffic and foster a more pedestrian friendly environment ;
 - to introduce green space, landscaping and planting where physically possible;
 - to work with and refine the distinctive character and history of the street.
31. The detailed plan for the Great Suffolk Street shows four projects along the street: Prices Street, The White Hart, The Parade, and Grotto Podium. This report seeks to commit funds from the Hilton development to the projects adjacent to the site, namely Prices Street. It is recommended that sums from the site specific transport and open space elements of the S106 agreement are pooled to deliver a new high quality tree-lined open space along Prices Street, with associated site specific transport facilities, including new pedestrian and cycle infrastructure, including cycle stands, cross-overs, lighting, and signage.

Project	Bankside Hilton	Total
Address	Land bounded by Prices Street, Bear Lanes and Great Suffolk Street	
Great Suffolk Street regeneration project	£175,010	£175,010

32. Consultation: The local community and key landowners and statutory undertakers in the area have been consulted about the proposal to stop-up and landscape Prices Street and there has been strong support for the proposal. The design

team for the project includes highway specialists who have reported that the project is technically feasible without adversely affecting the capacity of the local highway network, or impeding access for the servicing of adjacent properties.

33. The developer and agents for Hilton support the proposals to landscape Prices Street, which compliment their own plans for a landscaped outdoor seating area at the junction of Prices Street and Great Suffolk Street.
34. Community project bank: The project is not listed on the community project bank however the legal agreement is specific to improvements in the immediate area as a site specific mitigation. Specific site projects and projects being detailed in legal agreements supersedes the community project prioritisation as the legal requirements must be fulfilled.

Project 5: Marlborough Playground project

35. This report seeks to commit £100,302 to the deliver of a sports development project at Marlborough Playground, a key open space with sports facilities in close proximity to the Crane Building and Ewer Street SE1 development sites. Bankside Open Spaces Trust (BOST) is developing a sports development project for the site in collaboration with local members of the Borough and Bankside community council and the Bankside Residents Forum which will provide an Olympic legacy for Bankside. A successful community event was held throughout the summer 2012 at which substantial community support was pledged to the delivery of new sporting facilities on the concrete playing area. The “pop up Olympics” event include a running track, beach volleyball court, boxing gym, and cycling facilities.
36. Following on from the successful demonstration event in 2012, BOST is working closely with community partners to develop a costed masterplan for the final layout for the large open space, with a menu of phased improvement projects to be delivered over time. This sum would be used to support the delivery of permanent works to Marlborough Playground to deliver a lasting sporting legacy in Bankside, which would be directly accessible to residents and staff of the new developments.
37. Community Project Bank: This project does not sit on the community project bank principally as Sport and Recreation is not a theme included in the community project prioritisation. There are still choices that could be made and consideration could be given to sport and recreation facilities in open spaces for this purpose. However the Marlborough Playground is a popular site in the heart of Bankside which is one of the only sports facilities in the area which has received no investment during the last decade of regeneration. It will benefit a multitude of users from across Borough and Bankside and as such it is for that purpose that the recommendation is being made.
38. Budget £100,302 from Crane Building and Ewer Street SE1 Opens space and Sports Development contribution.

Project	Crane Building	Ewer Street SE1	Total
Address	St Ives House Lavington Street	Land at Ewer Street	
Marlborough Playground project	£45,471	£54,831	£100,302

39. This project will be commissioned by the Frameworks and Implementation team in partnership with the Parks department who would act as lead partner.

Community Project Bank concurrent

40. At its meeting on the 22 July 2009, the then Executive approved a list of community project bank projects for prioritisation. These priorities should be carefully considered in the case of releasing S106. The issue of addressing the prioritisation has been detailed under each individual project for the sake of simplicity.

Resource implications

41. 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% to deliver the above projects. Public Realm will be consulted in the technical design of the street works.

Community impact statement

42. All projects will be designed to be fully accessible to all, without prejudice or discrimination.

Sustainable development implications

43. As part of the Bankside Urban Forest project, as many existing materials as possible will be re-cycled and re-used within the design.

Consultation

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

S106 Manager

44. All the contributions totalling £319,420 from the development of the Crane Building (St Ives House) 11/AP/1341 a/n 584 have been paid. This included £22,317 for WPC, £1,720 management fee, £20,713 employment in the development, £45,471 for open space, sport and play, £56,775 for public realm / site specific transport. The proposed allocation to local employment and training

initiatives, the Marlborough playground and the local regeneration project will provide some mitigation from the development in the local area.

45. All the contributions totalling £571,686 from the development of the Great Guildford Street Business centre (30 Great Guildford Street) 11/AP/0671 a/n 601 have been paid. This included £37,769 for WPC, £3,062 management fee, £35,186 employment in the development, £45,471 for open space, sport and play, £40,050 for public realm, £40,050 for site specific transport. The proposed allocation to local employment and training initiatives and the local regeneration project will provide some mitigation from the development in the local area.
46. Half the contributions (all that are currently due) totalling £537,455 from the development on Ewer Street 10/AP/3316, a/n 594 have been paid. This included £8,064 for WPC management fee, £54,831 for sport and play, £112,500 for Ewer Street works, £75,000 for Ewer Street transport improvements and £22,469 for BOST. The proposed allocation to local employment and training initiatives and the local regeneration project (including Ewer St works) will provide some mitigation from the development in the local area.
47. All the contributions totalling £490,649 from the development of the Bankside Hilton (Land at Prices Street, Bears Lane) 07/AP/2269 a/n 359 have been paid. This included £84,675 for WPC and £51,844 employment in the development, £65,010 for open space, £100,000 for transport and £110,000 for public realm. The proposed allocation to local employment and training initiatives and the local regeneration project will provide some mitigation from the development in the local area.
48. All the proposed allocations are in accordance with the legal agreements as noted below.

Project	Crane Building	Great Guildford Business Square	Ewer Street SE1	Bankside Hilton	Total
S106 account number	584	612	594	359	
Planning application no	11-AP-1341	11-AP-0671	10-AP-3316	07-AP-2267	
Address	St Ives House Lavington Street,	30 Great Guildford Street	Land at Ewer Street	Land bounded by Prices Street, Bear Lanes and Great Suffolk Street	

Project	Crane Building	Great Guildford Business Square	Ewer Street SE1	Bankside Hilton	Total
Construction workplace co-ordinator[s]	£22,317	£37,769	In kind	£84,675	£144,761
Construction Management fee	£1,720	£3,062	£8,064		£12,846
Training and Employment	£20,713	£35,186		£51,844	£107,743
Marlborough Playground project	£45,471		£54,831		£100,302
Great Guildford Street / Ewer Street / Lavington Street regeneration project	£56,775	£80,100	£209,969		£346,844
Great Suffolk Street regeneration project				£175,010	£175,010
Total	£146,996	£156,117	£272,864	£311,529	£887,506

Director of Legal Services

49. The recommendation seeks to allocate funds totalling £887,506 from developments at Bankside Hilton 07-AP-2267 (a/n 359) also known as land bounded by Prices Street, Bear Lanes and Great Suffolk Street 11/AP/1341 (a/n 584) St Ives House also known as the Crane Building, 11/AP/0671 (a/n 612) Great Guildford Business Square and 10/AP/3316 Land at Ewer Street.
50. The Section 106 agreements' monies must be expended in accordance with:-
- (a) the terms of the specific Section 106 Agreements; and
 - (b) Regulation 122(a) of the Community Infrastructure Levy Regulations 2010 which provides that they must be:-
 - (i) necessary to make the developments on the respective sites acceptable in planning terms by mitigating adverse impacts;
 - (ii) directly related to the respective developments; and

(iii) fairly and reasonably related in scale and kind to the respective developments;

51. Each Section 106 agreement has been reviewed and it is considered that the proposed expenditure accords with the terms of the respective s.106s, the relevant legal and policy considerations detailed above and is otherwise reasonable in all other respects.
52. This report sets out a programme of Section 106 expenditure in excess of £100,000. The report is brought to Members in accordance with Part 3H, paragraph 1 of the Constitution under the heading 'Consultative/ Non decision making' which requires that Members comment on proposed expenditure of funds over £100,000 from s.106 agreements. The decision to approve the expenditure is reserved to Planning Committee in accordance with Part 3F, paragraph 2 under the heading 'Matters reserved for Decision'.
53. It is considered that release of funds complies with the obligations as set out in the respective s.106 agreements and Members are advised that the recommendation to authorise the release of the funds accords with the provisions of the respective s.106 agreements.

Strategic Director of Finance and Corporate Services

54. This report is requesting the Planning Committee to authorise the release of £887,506 of S106 funds secured via several legal agreements as detailed in paragraph 1, towards several projects, as detailed in the report.
55. It is noted that all related funds from these agreements have been received by the council and the proposed projects are in line with the legal agreements.
56. It is also noted that all costs relating to these projects, including the cost of Council resources in managing these programmes will be funded and contained within the S106 funds being requested for release in this report. Any other staffing and other costs connected with this recommendation to be contained within existing budgets.

REASONS FOR URGENCY

57. The next meeting of the community council is not until June 2013 which could delay the implementation of local projects.

REASONS FOR LATENESS

58. The report was not circulated five clear working days before the meeting, as additional internal consultation was required.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
S106 Legal Agreements	Planning, 160 Tooley Street, London, SE1	Zayd Al-Jawad 020 7525 7309
Project Brief	Regeneration Division, 160 Tooley Street, London, SE1	Dan Taylor 020 7525 5450

APPENDICES

No.	Title
None	

AUDIT TRAIL

Lead Officer	Alistair Huggett, Framework and Implementation Team Manager	
Report Author	Dan Taylor, Principal Project Officer, Framework and Implementation Team	
Version	Final	
Dated	12 April 2013	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Strategy	Yes	Yes
S106 Manager	Yes	Yes
Date final report sent to Constitutional Team	12 April 2013	