

<b>Item No.</b> 7.	<b>Classification:</b> Open	<b>Date:</b> 5 November 2013	<b>Meeting Name:</b> Planning Committee
<b>Report title:</b>		The Release Section of 106 Monies from 08-AP-2809 (a/n 406) 6 Paris Gardens to Deliver £328,862 of Employment, Open Space and Public Realm Improvements Adjacent to the Site	
<b>Ward(s) or groups affected:</b>		Cathedrals	
<b>From:</b>		Chief Executive	

## RECOMMENDATION

- To authorise the release of funds totalling £338,102 from 08-AP-2809 (a/n 406) 6 Paris Gardens to be released for:
  - £113,336 for employment during construction (Project 1)
  - £100,000 for Hatfields Green open space improvements (Project 2)
  - £98,508 for Hatfields public realm and transport improvements (Project 3)
  - £17,018 for Christchurch Gardens open space improvements (Project 4).

## BACKGROUND INFORMATION

- Planning permission was granted in 2008 for the construction of a mixed use development comprising a ballet school and student accommodation on a site located between the western side of Paris Garden and the eastern side of Hatfields which is approximately 0.12 ha in size. Construction of the development started in 2011 and is due to complete in July 2013.
- Planning obligations 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 agree to provide planning contributions. This report seeks to draw down funding from section 106 agreement associated with the 6 Paris Gardens site which is summarised as follows.

Agreement site	Paris Gardens
Project Address	6 Paris Gardens and 20-21 Hatfields
Planning application no	08-AP-2809
Section 106 planning obligation reference	406
Summary of the development	Erection of a part 9, part 13 storey building to provide for a mixed use development comprising a ballet school and 162 units of student accommodation

4. The site has a signed section 106 agreements which include a number of payments in line with the adopted Section 106 Supplementary Planning Document (SPD). The payments required to mitigate the impact of development are described in Appendix 1.

## **KEY ISSUES FOR CONSIDERATION**

### **Projects to mitigate the impact of the developments**

5. Section 106 payments are secured as part of the planning permissions for the above site in order to mitigate the impact of large new developments on the London Bridge Bankside opportunity area, and provide the infrastructure and services to support new developments. A number of projects have been identified which can deliver new infrastructure and services in the environs of the 6 Paris Gardens project site (the terms of the legal agreements are attached in Appendix 1).

### **Project 1: Construction employment and training**

6. 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.
7. The 6 Paris Gardens site is obliged to make payments to the council to deliver initiatives that assist unemployed people in the local area into employment and with training in construction and employment skills. The project is currently under construction, and this report seeks to approve the expenditure of the secured section 106 sums to support initiatives to employ locally unemployed residents in construction.
8. A total budget of £113,336 is available to deliver this project from the 6 Paris Gardens section 106 agreement.
9. 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 £113,336 from the legal agreement to fund a workplace co-ordinator (WPC) or equivalent resource to work with contractors and to provide outreach support to place locally unemployed residents into construction jobs. In addition, the funds may 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 with contractors.
10. There is no specific obligation within the 6 Paris Gardens section 106 agreement for the developer to employ local people on the site. Therefore the sum will be used to support employment and training in the wider construction sector for unemployed local people, as well as with contractors on the 6 Paris Gardens site.

11. A programme is being established to network the 6 Paris Gardens, Kings Reach Tower, Sea Containers and 240 Blackfriars sites together to join up resources and deliver maximum value for money and outcomes for the Borough.
12. The proposed approach will support the implementation of the Southwark Economic Wellbeing Strategy. It will bring sustainable employment opportunities to local residents from development within the borough and, by engaging directly with the employers, deliver skills support that responds to the needs of the sector. This will support the implementation of the following strategy ambitions:
  - Regeneration and development provide lasting jobs for residents in both construction and related industries and end-use job in developments, through training and skills programmes funded by section 106 contributions and CIL
  - We increase and improve employer engagement, making sure residents receive training relevant to the jobs market and to employer needs.
13. The proposals will also support other initiatives within Southwark. The project will complement engagement programmes such as Southwark Works, which work with people who are not engaging with mainstream employment and training services, and will refer beneficiaries to and from these programmes as appropriate to their needs.
14. The BLCF programme is a revenue programme, and therefore falls outside the scope of the Community Project Bank prioritisation process.
15. This project will be commissioned by the local economy team.

## **Project 2: Hatfields Green open space improvements project**

16. This report seeks to commit £100,000 to the Hatfields Green open space project. Hatfields Green is protected open space which lies directly adjacent to the 6 Paris Gardens site and will be a valuable resource for both the new student residents of the development and the users and staff of the future ballet school.
17. The Friends of Hatfields Gardens has been campaigning for improvements to the layout and quality of the open space, and has set up a steering group to develop a brief to improve the Gardens. Hatfields (the street) lies at the border of the London Boroughs of Southwark and Lambeth, and the Gardens fall within the ownership and management of London Borough of Lambeth. Lambeth officers in the parks team have worked with the Friends of Hatfields Gardens to appoint landscape architects to develop a set of costed designs to improve the space.
18. The project is currently at the concept stage and London Borough of Southwark attended their steering group meeting on 26 March 2013 to observe the project and receive an update on design development and programme. Lambeth officers have secured £100,000 from section 106 funds in Lambeth and a further £100,000 from the 6 Paris Gardens development would create a construction budget which would enable the project to be delivered in the third and fourth quarter of 2013.
19. £100,000 committed from this report would be spent on capital improvements to Hatfields Gardens, with London Borough of Lambeth acting as accountable body. Funds would be paid on invoice subject to satisfactory completion and inspection of works by London

Borough of Southwark officers. An exchange of letters or short contract will be drawn up with the London Borough of Lambeth project team to set out commitment of funds and terms of payment following completion of works.

### **Consultation**

20. The design process is led by London Borough of Lambeth working closely with the Friends of Hatfields Gardens. The concept stage of the project involves liaison with local residents and businesses and the Coin Street Community Builders, South Bank Employers Group, Better Bankside, and Bankside Open Spaces Trust.
21. This specific project is not listed on the community project bank as it lies in the London Borough of Lambeth. However, the legal agreement is specific to improvements in the immediate area as site specific mitigation and clearly mentions Hatfields Gardens (see Appendix 1).
22. This project will be commissioned by the planning projects team working as joint client with London Borough of Lambeth acting as lead partner.

### **Project 3: Hatfields public realm and transport improvements project**

23. The 6 Paris Gardens section 106 agreement includes a sum of £98,508 which has been set aside for public realm and site specific transport improvements directly adjacent to the site on Hatfields (the street). This sum will be used to deliver site specific improvements along the street, including footway and carriageway investment, crossings, lighting, and cycle improvements. The design of the project will aim to compliment and tie directly into the improvements to Hatfields Gardens (project 3), and strengthen the physical connections to the open space.
24. Consultation: The local community and key landowners and statutory undertakers in the area will be consulted on a set of detailed designs for the street. Subject to timeframes, we will aim to join up the consultation with the proposals for Hatfields Gardens to avoid consultation fatigue.
25. The project is listed on the community project bank.
26. This project will be commissioned by the planning projects team working as joint client with London Borough of Lambeth. Agreement will be made with Lambeth officers to ascertain the exact procurement model and who will act as lead partner. An exchange of letters or short contract will be drawn up with the London Borough of Lambeth project team to set out commitment of funds and terms of payment following completion of works.

### **Project 4: Christchurch Gardens open space improvements project**

27. This report seeks to commit £17,018 to the deliver enhancements to Christchurch Gardens which lies directly to the east of the 6 Paris Gardens project site, and is another open space adjacent to the site which will be used by both students, visitors and workers in the new development.
28. Discussions have been held with the parks department and the Bankside Open Spaces Trust (BOST) to determine the future investment plans to maintain and improve

Christchurch Gardens. The Gardens are likely to receive significant investment and alteration subject to the commencement of the adjacent 20 Blackfriars project which has planning permission for large scale redevelopment but has not been implemented and is effectively on hold with an unknown future. In the interim, it is recommended that measures are taken to continue and enhance the community gardening efforts of BOST by funding a new planting bed, tools and equipment for maintenance and additional play equipment.

29. This project does not sit on the community project bank, but is an open space directly adjacent to the development site which will be impacted by new residents, workers and visitors and would provide direct mitigation.
30. This project will be commissioned by the planning projects team in partnership with the Parks department who would act as lead partner.
31. The chair and vice-chair of the Borough, Bankside and Walworth Community Council have been consulted. No responses were received.

#### **Community project bank concurrent**

32. At its meeting on 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**

33. The resource implications are outlined above and summarised in the finance concurrent below.

#### **Community impact statement**

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

#### **Sustainable development implications**

35. As many existing materials as possible will be re-cycled and re-used within the design.

#### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

##### **S106 Manager**

36. All the contributions due from the development at 6 Paris Garden 08/AP/2809 a/n 406 have been received by the council. Within this there was £68,258 for public realm improvements within 300 metres of the site and £30,250 for site specific transport. The proposed allocation of these funds totalling £98,508 would provide some mitigation from the development on the roads, footways and access routes close to the site.
37. £117,018 was also received for open space improvements within 300 metres of the site, including the open space at Hatfield Gardens. This allocation of £100,000 toward Hatfield

Gardens and the remaining £17,018 towards Christchurch Gardens would satisfy this obligation and provide local open space mitigation.

38. £113,336 has been received towards employment and training initiatives relating to construction. As the developer was not able to provide this on site, the contributions will be used to support construction training initiatives near by and comply with this requirement.

#### **Director of Legal Services**

39. Paragraph 2, part 3F of the constitution provides that the planning committee will consider the expenditure of funds over £100,000 secured through legal agreements under section 106, Town and Country Planning Act, 1990.
40. The council is under an obligation to utilise monies paid by a developer under the terms of a section 106 agreement solely for the purpose specifically set out within the provisions of the individual agreement. It would be unlawful for the council to spend any part of the monies on any other purpose
41. It is confirmed that the agreement mentioned contains the relevant provisions relating to expenditure upon public realm, open space and employment and training initiatives. The proposals set out in this report are therefore a lawful use of the funds

#### **Strategic Director of Finance and Corporate Services**

42. This report is requesting the planning committee to authorise the release of £328,862 of S106 funds secured via legal agreement 08-AP-2809 (a/n 406) 6 Paris Gardens to deliver employment, open space and public realm improvements adjacent to the site, as detailed in the report.
43. It is noted that all related funds from this agreement have been received by the council.
44. It is also noted that adequate contract arrangements will be in place to mitigate the risks to the council, where the projects are being jointly delivered with other partners.
45. Any staffing and other costs connected with this recommendation to be contained within existing budgets.

#### **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
S106 Legal Agreements	Planning Division, Southwark Council, 160 Tooley Street, London, SE1 2QH	Zayd Al-Jawad 020 7525 7309
Project Brief	Regeneration Division, Southwark Council, 160 Tooley Street, London, SE1 2QH	Dan Taylor 020 7525 5450

## APPENDICES

No.	Title
Appendix 1	Excerpts of S106 legal agreements

## AUDIT TRAIL

<b>Lead Officer</b>	Alistair Huggett, Planning Projects Team Manager	
<b>Report Author</b>	Dan Taylor, Principal Project Officer, Planning Projects Team Manager	
<b>Version</b>	Final	
<b>Dated</b>	28 October 2013	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments sought</b>	<b>Comments included</b>
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Strategy (CAP13/038)	Yes	Yes
S106 Manager	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		28 October 2013

## Excerpts of S106 legal agreements

Agreement site	Paris Gardens
Project Address	6 Paris Gardens and 20-21 Hatfields

“Construction Workplace Co-ordinator[s] and Employment Contribution”	The payment of one hundred and thirteen thousand three hundred and thirty-six pounds (£113,336) during the construction of the Development to be used to assist in the placement of unemployed job seekers from the local area by the provision of a Work Place Co-Ordinator and by training job-seekers payable in accordance with paragraph 1 of Schedule 3 below.
“Public Open Space, Children’s Play Equipment and Sports Development Contribution”	The sum of one hundred and seventeen thousand and eighteen pounds (£117,018) to be paid by the Developer to the Council in accordance with paragraph 1 of Schedule 3 towards the creation of new Council maintained public space and the improvement of existing Council maintained public space within 300 metres of the Site and in particular towards the upgrade of Hatfield Gardens ;
“Public Realm Improvements Contribution”	The sum of sixty eight thousand two hundred and fifty eight pounds (£68,258) to be paid by the Developer to the Council in accordance with paragraph 1 of Schedule 3 towards mitigating the impact of the Development on the public realm within 300 metres of the Site and in particular towards improvements to the footways and carriageways directly adjacent to the Site as shown on the attached plan
“Site Specific Transport Contribution”	The sum of thirty thousand two hundred and fifty pounds (£30,250) which includes the Traffic Management Contribution to be paid by the Developer to the Council in accordance with paragraph 1.1.4 of Schedule 3;