

Item No. 14	Classification Open	Date: July 18 2006	MEETING NAME Executive
Report Title	Approval of Masterplan Bermondsey Spa Site C		
Ward (s) or groups affected	Bermondsey		
From:	Strategic Director of Regeneration		

RECOMMENDATIONS

1. That Southwark Council's Executive approves the adoption of the 'Bermondsey Spa Site C Masterplan/Development Brief' developed by Glenn Howells Architects as a development framework for the land in question.
2. That Executive gives approval for the Development & Regeneration Property Projects Team to seek planning permission(s) for the development of Bermondsey Spa Site C in accordance with the recommendations and conclusions of the Glenn Howells masterplan.
3. That Executive authorises acquisition by negotiation in accordance with the masterplan and development framework objectives of any and all relevant property interests in Bermondsey Spa Site C.
4. In the event that the above (3.) does not prove successful, that Executive note that a further report will be submitted asking for Executive approval for an application to the Department for Communities & Local Government and the Regions for a Compulsory Purchase Order for the acquisition of any and all relevant property interests in Bermondsey Spa Site C in accordance with the masterplan and development framework objectives.
5. That Executive approves the disposal of the councils land within the masterplan area of Site C to ultimately deliver on the masterplan objectives (individual disposal reports to be brought to Executive at appropriate times in the future).
6. That Executive notes the detailed proposals for Site C will be examined and developed in conjunction with matters arising from the Council's evolving review of its office accommodation arrangements (see "Modernising Office Accommodation" elsewhere on this agenda).

BACKGROUND INFORMATION

7. Bermondsey Spa Site C is the largest site within the Bermondsey Spa Regeneration Area. The site is approximately 9 acres in total with approximately 6 acres being under the ownership of the Council. The site is bounded by Spa Road, Neckinger, The Grange and Grange Road as shown on the Ordnance Survey extract attached. The site is a key element in the successful delivery of the ongoing regeneration initiatives currently being undertaken in Bermondsey and the core objectives the council envisioned when it approved the overall Bermondsey Spa Masterplan in October 2000 at full council assembly.

8. Glenn Howells Architects were chosen to develop the Site C masterplan after a two-stage architect selection competition initially involving 56 Architectural practices. In July 2005 Glenn Howells were appointed by the Property Projects Team to create a 'mini masterplan' for the subject property.
9. Since April 2005 Glenn Howells Architects have worked closely with council officers from property, planning policy, development control, building control, housing, social services, conservation and transport to develop a masterplan that fully meets the objectives and policies of the council's emerging Unitary Development Plan (Southwark Plan 2006), the council's emerging Community Strategy (2016) and is commercially viable and therefore deliverable. The input of officers has played a fundamental role in the creation of this masterplan. Members of the public locally also helped shape proposals through specific events.
10. Site C as existing includes accommodation for 1000 council staff (in the Spa Road Complex, the Woodmill building and Mabel Goldwin House). The proposed approach for Site C therefore acknowledges the possibility of change in the Council's office accommodation arrangements, and aims to build in sufficient flexibility to respond to and synchronise with the requirements of that programme.
11. A predominantly residential scheme is proposed for the site however, other proposed uses include commercial office space, shops, restaurants/cafes, community uses and public and private open space. Affordable housing will account for at least 35% of the residential accommodation in accordance with the Southwark Plan 2006. Some council uses may need to be reprovided within the site and the masterplan has been created to be flexible enough to fulfil this requirement.
12. The proposed mix of uses is as follows:

Use	m2	% of scheme
Residential	42,381	79%
A1 Shops	401	0.75%
A3-A5 Restaurant/bar	1,577	2.95%
B1 Business/light industrial	5,488	10.27%
Civic/community	3,559	6.66%
TOTAL	53,406	100%

13. The main philosophy of this masterplan is to create a characterful and interesting place, increased permeability through the site with emphasis on the creation of pedestrian and cycle routes keeping vehicular access to a minimum. The setting of the public realm has been a priority and the masterplan recommends the creation of open spaces and squares to be used by all within the community that compliment the newly redeveloped Spa Park. The masterplan encourages high quality and efficient urban design and the possibility of creating some buildings that relate back to the industrial heritage of the site.

KEY FACTORS FOR CONSIDERATION

14. It is estimated that the sale of land for development in accordance with the masterplan will generate a significant capital receipt. If the existing office

accommodation were to remain on site the anticipated capital receipt will be significantly reduced.

15. There are approximately 1000 Council staff based on Site C. There are approximately 640 Health & Social Care and Primary Care Trust staff operating from Site C in Mabel Goldwin House, Woodmill, the Engineering Block and a further 300 based in the Spa Road complex. Gibson House runs an externalised residential service for 8 adults with learning disabilities, which will need to be reprovided, but not necessarily within Site C. The Evelyn Coyle Day Centre provides a day care facility for 30 older people with mental health problems. The day care facility will ideally need to be reprovided within Site C or combined with the reprovision of the Southwark Irish Pensioners Day Care Centre, which is also affected by this development, possibly on Bermondsey Spa Site B.
16. The Property Projects Team have been working closely with its Social Services and Primary Care Trust colleagues to assist in rationalising and improving property facilities that will enable future services to be provided in these areas to high standards.
17. It is strongly recommended that alternative accommodation is found for the majority of the 1000 officers currently occupying Site C if the objectives of the masterplan and the creation of a sustainable community are to be achieved.
18. If the Executive were to wish that the 1000 staff remained on site there will be a requirement for 10,000+ square feet of office accommodation. This will have a number of implications for the site.
19. There are two council owned affordable residential blocks within Site C, George Tingle and Larnaca houses. These blocks contain approximately 54 households. It is proposed that the residents of these blocks will be moved into the new build schemes currently being built in the area such as Bermondsey Spa Sites A, E, H and T. The Property Projects Team is working closely with the Housing Department to ensure that tenants are rehoused and vacant possession of these blocks can be obtained. The leasehold interests generated by tenants exercising their right to buy are currently being bought out by negotiation.
20. The work involving these council residential accommodation units flows from extensive consultation work undertaken at the time of the original area-wide masterplan in 2000 with the local 'working group' and residents and tenants, subsequent project development with the same groups and now the Bermondsey Community Council. There continues to be overwhelming support for the approach taken, as exemplified by the responses from a public exhibition held in September 2005, a copy of which is attached in the appendices of the Bermondsey Spa Site C Masterplan.
21. The recommendations regarding the council housing here also relates to the Housing Departments need to deliver Decent Homes Standards across the boroughs housing stock by 2010. The homes within George Tingle and Larnaca houses are no longer providing satisfactory accommodation. They will be demolished and the tenants rehoused in brand new high quality housing.
22. The masterplan also considers land outside of the council's ownership. This land falls into 4 basic categories:

- (i) That which has recently been developed for modern housing and mixed use purposes (examples of which include Skyline Court, 10 The Grange and the Cube)
- (ii) Land which is under redevelopment and which ties in with the basic aims of the masterplan (e.g. Site T and The Final Furlong Pub site).
- (iii) Land and buildings owned by a private development company keen to seek approvals (e.g. Larnaca Works site)
- (iv) Land currently in historic commercial use but which is likely to be developed out by its current owners or their agents / partners within the short to medium term.

23. Regarding (i) and (ii) above there is no intention to alter these; regarding (iii) the council is holding detailed discussions with the development company in question with a view to reaching agreement on the facilitation of the development of this land in accordance with this masterplans aims. This will involve the sale of a small area of council land, which is the subject of another Executive report, 'Disposal – Car Park Fronting onto Grange Walk SE16 – Bermondsey Spa Site C Phase 1'. This particular arrangement will also provide an alternative arrangement to a refused proposal currently progressing as a planning appeal which is not in line with the masterplan's aims.

24. Both Glenn Howells Architects and council officers feel that the inclusion of this third party land is essential, if the aims of the masterplan are to be delivered completely. Discussions will continue to be held with these third party owners if the Executive agrees to the adoption of the masterplan.

25. The Executives approval of this masterplan, which is considered to achieve a more sustainable and comprehensive development of the area, as the development framework for the area will provide clarity and certainty for future development.

26. Ultimately the masterplan has been created so that the site can be developed with or without the inclusion of the properties under third party ownership; however the objectives of the masterplan can only be fully reached if these properties are included.

Policy implications

27. The Planning Policy covering the site is the 2nd Deposit Unitary development Plan. The site is within the Bermondsey Spa Action Area. The site is designated in the 2nd Deposit Unitary Development Plan as a development proposals site numbered 11P in the proposals site schedule. The site has an estimated residential capacity for 483 –1127 residential units

28. The required uses on the site are:

- (i) D Use Classes (with priority for health uses)
- (ii) B1 Use Class

29. Other acceptable uses are:

- (i) A Use Classes

30. The implementation of the masterplan will aid the delivery of the council's emerging community strategy.

Community Impact Statement

31. This site falls within the Bermondsey Spa Regeneration Area and is therefore included with the overarching Bermondsey Spa EQIA. Ethnicity, race, age, gender, disability, faith and sexual orientation are covered within the EQIA.

32. The pertinent issues affecting the community are as follows:

- (i) Decant of George Tingle and Larnaca Houses.
- (ii) The reprovion of the Irish Pensioners day centre building.
- (iii) The reprovion of Gibson House residential service for adults with learning difficulties building.
- (iv) The reprovion of Evelyn Coyle day centre building.
- (v) Disruption to local residents and businesses caused by construction works.

33. The impact of the proposed development on the local community will be the development of new residential, office, community and leisure accommodation. There will be additions to the affordable housing stock for families in the Borough. There will also be relocation of businesses, although this is likely regardless of these specific masterplan proposals, with general private development pressures in the wider SE1 and SE16 area.

34. The 1000 Council staff will be affected by undergoing an office move either on or off site. The council tenants will be moved to new housing within the locale, which will be designed and built to higher standards than the existing stock. Local businesses may or may not need to be relocated. Council officers will work closely with the owners of third party property to relocate the businesses if required.

35. The leaseholders and freeholders will have their interests purchased and will be compensated accordingly if necessary.

36. There are no direct negative implications of the report's recommendations on the councils Managing Diversity and Equal Opportunities policies. Indeed, it is felt that the diversity of the area over the longer-term will be improved.

37. The development of this land in question in the way outlined in the masterplan will produce buildings using the latest sustainable building techniques and urban designs. A Building Research Establishment 'ecohomes' rating of 'excellent' is targeted throughout this area.

Consultation

38. Since the early global master planning work undertaken in 2000, council officers from the Property Projects Team have very closely engaged the local stakeholders through specific events and regular 'working group' meetings. The development of Site C in such a way was always envisioned and discussed, with significant support given locally.

39. The delivery of the comprehensive development of the land in question will be seen by local stakeholders as the continued delivery of the overarching masterplan as produced in 2000.

40. More recently a public exhibition of this local masterplan (for Site C) was held at the Bermondsey One Stop Shop over a 2-day period in September 2005. The event was staffed by officers from the council and Glenn Howells Architects and the exhibition was predominantly attended by local residents. A questionnaire was provided and the feedback received is appended to this report. Stakeholders were contacted individually and informed about the masterplan. The responses were overwhelmingly supportive and positive of the approach taken.

Resource implications

41. A significant capital receipt could be generated from the disposal of the site, if it is developed in accordance with the masterplan, with the anticipation that the quality approach being pursued is capable of generating enhanced value across the board. If the existing office accommodation is required to remain on site it is anticipated that the capital receipt will be significantly reduced.
42. Significant officer time will be needed to deliver the site in the manner outlined. The Property Projects Team will resource this in accordance with its role to deliver the Bermondsey Spa Regeneration program, which is a corporate objective.
43. There will be costs involved with the seeking of planning approvals and the purchase of third party interests. The planning approvals will be funded by the Development & Regeneration revenue budgets and subsequent applications will be made to central finance for the funds to purchase the third party interests if appropriate (with suitable business cases). It is expected that the additional certainty provided to the development sector by this quality planned approach will provide enhanced returns for the council and adjacent stakeholders.
44. The cost of acquiring the leasehold interests in Larnaca and George Tingle houses will be met, initially, by the Housing Investment Programme (approved by the Housing department's Senior Management Team on the 24th January 2005). These costs will be reimbursed from Bermondsey Spa receipts.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Comments of the Borough Solicitor & Secretary

45. The Bermondsey Spa Site C Masterplan / Development brief has been provided as a document to support the comprehensive development of the area. The document has all the hallmarks of a site-specific development brief, however to clarify the terminology used, it is not part of the Local Development Framework ("LDF"), which was established out of the Planning and Compulsory Purchase Act 2004. In order to be part of the LDF the document must become a Supplementary Planning Document, which has a rigorous statutory consultation process to follow. This document has not at this stage gone through this process. In terms of the future development of the area, the Bermondsey Spa Site C Masterplan / Development Brief can be considered as a material consideration for planning applications in the area, and therefore the primary planning document for determining applications is the development plan.
46. It is recommended that the Executive authorises acquisition by negotiation in accordance with the Masterplan and development framework objectives any and all relevant property interests in Bermondsey Spa site C.

47. Section 17 of the Housing Act 1985 provides authority for the Council to acquire land for housing purposes. Section 120 Local Government Act 1972 enables the Council to acquire by agreement land whether situated inside or outside their area, for the purposes of any of their functions under that act or any other act, or for the benefit improvement or development of their area. Further reports will be submitted in respect of the acquisitions and the legal issues can be dealt with there.
48. It is also recommended that Executive approve the disposal of the Council's land within the masterplan area of Site C to ultimately deliver on the masterplan objectives (individual disposal reports to be brought to Executive at appropriate times in the future).
49. Authority for the disposal of land held for housing purposes is dealt with under Section 32 of the Housing Act 1985, which states that a disposal cannot take place without the consent of the Secretary of State. There are a number of general consents that have been issued which can be applied to particular disposals brought before Executive at the appropriate times. Where property is held for non housing purposes disposal under Section 123 of the Local Government Act 1972 can take place. Section 123 states that except with consent of the Secretary of State a Council shall not dispose of land under that section except by way of a short tenancy for a consideration less than the best that can be reasonably obtained. The appropriate consents will be dealt within the individual reports to be brought before Members at future dates.

Comments of the Strategic Director of Housing

50. This report proposes the adoption of a masterplan that includes the proposed redevelopment of 54 units of housing accommodation in the two blocks at George Tingle House and Larnaca House, Grange Road, SE16. The redevelopment of these two blocks is a key part of overall development of site C and will produce affordable housing in accordance with council policy. There has been housing input into developing the masterplan and into the design and construction standards for the affordable housing element.
51. Households moving from George Tingle and Larnaca Houses will be rehoused in accordance with the decant policy. All the initial nominations to new units will be to households being decanted from Bermondsey Spa blocks, with remaining new properties being offered to other priority cases on the housing list.
52. It has been agreed that some of the capital receipts from Bermondsey Spa disposals will be used for the purposes of investing in local estates. A proportion of the receipts will arise from the disposal of these two blocks.

Comments of the Strategic Director of Health and Community Services and the Director of Children's Services

53. Health & Social Care and the Children's Trust have been included and consulted in drawing up the Masterplan. The key issue is ensuring that office staff are moved with least disruption to service provision. It is understood that commissioned services will be re-provided within the overall Spa redevelopment needs. At this stage timescales are not known and our accommodation needs for an integrated site are part of the overall work of the strategic office accommodation project.

Comments of the Finance Director

54. At this stage in the scheme it is very difficult to assess the full financial implications of the Masterplan for the Council. The most significant uncertainty being the review of office accommodation arrangements.

55. There will be significant capital receipts generated and there will be a need to consider any s106 impacts from proposals as developed. There is also the split between HRA and GF, and revenue and capital implications, to be identified. Further reports will be brought to the Executive as the scheme develops.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Project Team File	Chiltern	Justin Carty 0207 525 5633

APPENDIX A

Audit Trail

Lead Officer:	Paul Evans, Strategic Director of Regeneration	
Report Authors	Justin Carty	
Version:	Final	
Dated:	July 7 2006	
Key Decision ?	Yes	
CONSULTATION WITH OTHER OFFICERS/ DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Borough Solicitor & Secretary	Yes	Yes
Director of Housing	Yes	Yes
Chief Finance Officer	Yes	Yes
Executive Member	Yes	No
Date final report sent to Constitutional Team		July 7 2006

APPENDIX B

Ordnance Survey Plan

APPENDIX C

The Bermondsey Spa Site C Masterplan

(Circulated separately and available via the council's website)