

Item No. 6	Classification: Open	Date: 22 February 2022	Meeting Name: Planning Committee
Report title:		To release £300,000 of section 106 funding towards the fit-out of a community facility at Llewellyn Street.	
Ward(s) or groups affected:		North Bermondsey	
From:		Chief Executive	

RECOMMENDATION

1. That Planning Committee approves the release of £300,000 from the listed Legal Agreement associated with the Chambers Wharf development (planning application reference 07/AP/1262) in North Bermondsey ward, towards the fit-out of a new community facility on Llewellyn Street.

Permission Ref	Account No	Type	Address	Amount
07/AP/1262	687	CDEV - Community Development & Facilities	Chambers Wharf, Chambers Street, SE16 4XQ	£300,000
TOTAL				£300,00.00

BACKGROUND INFORMATION

2. 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.
3. Section 106 payment were secured as part of the planning permission for the development set out in this report in order to mitigate the impact of this large new developments on the surrounding area, and to provide the infrastructure and services to support the local community.
4. On 28 July 2009, planning committee approved the redevelopment of Chambers Wharf (planning application reference 07/AP/1262) which agreed the erection of six residential buildings providing 587 residential units and 275m² of flexible Class

A/B1 floorspace at ground floor level along Chambers Street; 203m² of Class D1 floorspace along Llewellyn Street.

5. The first phase of the development which includes the Class D1 community space on Llewellyn Street is now complete, with the second and final phase pending the completion of the Thames Tideway project which has occupied the Northern part of the development site.
6. The original planning permission sought to provide community space for the use by the adjacent St Michael's Catholic School, with the location and design being developed to facilitate direct and safe access for the pupils. The school have now stated that they no longer wish to use the space, so the council is planning to market the facility to alternative operators who can demonstrate a sustainable business plan which provides the best possible level of community access to the building.
7. A £300,000 fit out budget was earmarked within the section 106 agreement for use by the school to fit-out the space which has been built to a shell and core finish. This report seeks to release the £300,000 sum to fit-out the space. This fit-out budget will form part of the marketing exercise to secure a viable operator for the space, and will be used by the appointed operator to open the facility in 2022.

KEY ISSUES FOR CONSIDERATION

8. Following the decision by St Michael's Catholic School not to occupy the space designed for them, the council is now seeking to undertake a marketing exercise to find an operator who can provide the best possible community access, whilst also delivering a business plan which can afford to pay for the ongoing management and maintenance of the building.
9. The council is finalising the lease of the community space from the current owner Peabody. Once the space has successfully been handed over, the Council's property team will lead the exercise to market the space to operators with experience of managing similar community facilities. A draft heads of terms for the lease of the space is set out in the section 106 agreement. Operators who may be interested in running the space with community provision could include charities, cultural organisations, artist studio operators, and leisure or wellbeing providers.
10. The construction of the Thames Tideway super-sewer project is part of this development site. The project was granted planning consent in 2014, and started work in 2015. As part of the consent a section 106 legal agreement provides for a range of mitigation projects and funds, with contributions to local schools, new play facilities, transport improvements, and a £1m community enhancement fund. A working group and engagement panel have been set up for the programme, and the opportunity to either operate the space, or to work with an appointed operator will be publicised to these existing groups.

Community Impact Statement

11. Whilst the community facility was designed for and located next to St Michael's Catholic School, it has a direct public access off Llewellyn Street which enables an alternative operator to lease the space and deliver a facility independent of the school.
12. The area is characterised by high levels of affordable housing with residents on low incomes. The community facility could provide a positive hub for groups from different estates and groups to meet and interact, providing valuable opportunities for social cohesion and wellbeing. Depending on exact use and operator, there may be scope to learn new skills and training which could lead to a variety of socio-economic outcomes.

Resource Implications

13. The funding will come from S106 agreements as outlined above and set out in the summarised S106 finance concurrent report below.
14. The lease for the tenancy and fit-out budget will be overseen by the property department. No additional staff time will be required.

Equal Opportunities

15. The marketing exercise will seek to ensure that the appointed operator provides equal opportunities for all.

Consultation

16. Consultation on the design and layout of the space has been completed during the pre-app and planning application processes.
17. Local ward members will be consulted on the selection process for the operator of the space.

Climate change implications

18. The space has been built as part of a planning consent from 2009. As part of the marketing exercise, operators will be asked to provide information on their fit-out proposals, with scoring allocated to ensure as much carbon is reduced as possible, and the most efficient lighting and heating systems are procured.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Planning and Growth

19. The contribution noted in this report has been received and is unallocated. The proposed allocation would provide mitigation for the funding development and as such are supported.
20. The legal agreement has been reviewed to ensure the proposed allocation accords with the agreement.

Director of Law and Governance

21. The original section 106 Agreement for this site was dated 8 October 2010 and was immediately followed by the grant of planning permission. Schedule 4 to the Agreement provided for a payment by the developer of £1,500,000 towards a Community Project Fund. This amount was to be made by instalments linked to the substantial implementation of the various phases of the development.
22. With the passage of time, the proposals originally intended at the time of the Committee hearing have been somewhat overtaken firstly by the major Thames Tideway project which is taking place within the northern part of the site and secondly by the changing priorities of St Michael's Catholic Church School which is no longer seeking to operate the community space.
23. Accordingly, an alternative use for the monies received is being sought and the proposal is set out in this report. Whilst the Agreement does contain a number of possible uses for the monies, there is a proviso to clause 1.5.1 of Schedule 4 to the effect that there is no fetter on the Council's discretion to expend the monies on community projects within the area.
24. The Director of Planning and Growth confirms that the section 106 receipts for this Agreement have not been allocated to other projects and the proposed allocation accords with the terms of the 2010 Agreement which does not contain a provision for repayment in the event that the monies are not spent within a certain period from receipt.
25. The authority for releasing the sum of £300,000 lies with the Planning Committee in accordance with paragraph 6, part 3F of the Council's Constitution

Strategic Director of Finance and Governance CAP21/034

26. This report requests the Planning Committee to approve the release of £300,000 section 106 funds from legal agreement listed at paragraph 1 of this report, towards the fit-out of a new community facility on Llewellyn Street.

27. It is confirmed that the section 106 funds associated with the agreement listed in this report have not been allocated to other projects, and the proposed allocation accords with the terms of the relevant section 106 agreement.
28. The strategic director of finance and governance notes the resource implications at paragraphs 13-14, confirms that the council has received the related section 106 funds and they are available for this project.
29. The section 106 allocation of £300,000 represents an increase in council's capital expenditure and will be reflected as budget variation in the next capital monitoring report to Cabinet.
30. Staffing and any other costs associated with this recommendation are to be contained within existing departmental revenue budgets.

BACKGROUND INFORMATION

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
S106 Legal Agreements	Planning Division, 160 Tooley Street, London, SE1	Neil Loubser 020 7525 5451

APPENDICES

No.	Title
1	Photos of the space
2	Plan of the space

AUDIT TRAIL

Lead Officer	Jon Abbott, Head of Regeneration North	
Report Authors	Jackie Christie, Senior Planning Officer	
Version	Final	
Dated	09 February 2022	
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		11 February 2022

Appendix 1 Photos of the existing space built to shell and core finish



Appendix 2 Plan of community facility (in blue) on Llewellyn Street (hatched area)

