

Item No. 8.	Classification: Open	Date: 26 January 2012	Meeting Name: Borough and Bankside Community Council
Report title:		To release section 106 monies to deliver £267,081 of regeneration projects from 10/AP/2016 (A/n 504) 65 Southwark Street and 09/AP/2320 (a/n 566) 20 Lavington Street also know as CitizenM Hotel.	
Ward(s) or groups affected:		Cathedrals	
From:		Strategic Director of Regeneration & Neighbourhoods	

RECOMMENDATIONS

Recommendation for the Borough and Bankside Community Council

- To note and make any comments to the Planning Committee on the recommendation that funds totalling £267,081 from 10/AP/2016 (A/n 504) 65 Southwark Street and 09/AP/2320 (a/n 566) 20 Lavington Street also known as CitizenM Hotel be released for:
 - Great Guildford Street / Lavington Street public realm and transport improvements (Project 1)
 - Marlborough Playground open space improvements (Project 2)
 - Bankside Community Space improvements (Project 3)

Recommendation for Planning Committee

- To authorise the release of funds totalling £267,081 from 0/AP/2016 (A/n 504) 65 Southwark Street and 09/AP/2320 (a/n 566) 20 Lavington Street also known as CitizenM Hotel be released for:
 - Great Guildford Street / Lavington Street public realm and transport improvements (Project 1)
 - Marlborough Playground open space improvements (Project 2)
 - Bankside Community Space improvements (Project 3)

BACKGROUND INFORMATION

- 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.
- Bankside is undergoing considerable change, as developers build out schemes to deliver the vision of the London Plan "Opportunity Area" at Bankside and London Bridge. The city blocks between Great Suffolk Street, Great Guildford Street, Southwark Street and Southwark Bridge Road are being comprehensively redeveloped, and a number of key sites have secured permissions for re-development which will dramatically transform the character and appearance of the area.

5. 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 two 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 agreements to deliver a programme of environmental and social projects in the Borough. This report seeks to deal specifically with a cluster of developments and associated projects in the city block which extend from Southwark Street to Southwark Bridge Road. This report seeks to draw down funding from section 106 agreement associated with the following two sites:

Agreement site	Harlequin Building	Citizen M Hotel
Project Address	65 Southwark Street	Surrey House 20 Lavington Street
Planning application no	10-AP-2016	09-AP-2320
Section 106 planning obligation reference	504	566
Summary of the development	Refurbishment of an existing office block and addition of a two storey extension	Erection of a six storey hotel development with 191 bedrooms and a ground floor retail / cafe unit

6. 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

7. 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).
8. The reason for combining the projects into one report are as follows:
- Delivers a programme of regeneration projects which directly mitigates the impacts identified in the planning agreements, delivering the physical, economic and social projects required to make the new developments acceptable in planning terms
 - Includes a joined-up programme of works with key partners Better Bankside and Bankside Residents Forum which can attract match-funding sources from third parties including the London Development Agency and Better Bankside

Project 1 Great Guildford Street / Lavington Street regeneration project

9. This report seeks to commit £178,443 to the delivery of a high quality public realm and site specific transport project along Great Guildford Street and Lavington Street in line with the

terms of the section 106 agreements of the adjacent Harlequin and Citizen M projects. The project would include high quality paving, 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.

10. The purpose of the project is to provide high quality public realm to manage and mitigate the impact of additional hotel visitors, office workers, and associated servicing requirements to the area. The design of the scheme will be carried out to tie in with the installation of a new art installation along the facade of the Citizen M hotel, for which a steering group is being appointed in line with the requirements of the section 106 agreement,
11. The section 106 sums for the project will be pooled from the public realm, site specific transport and open space allocations to deliver a landscaping scheme along Great Guildford and Lavington Streets which ties in with the adjacent Great Suffolk Street regeneration project.
12. 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 undertaken.
13. Budget £178,443 from:

Agreement site	Harlequin Building	Citizen M Hotel	Total
Project Address	65 Southwark Street	Surrey House 20 Lavington Street	
Great Guildford Street / Lavington Street regeneration project	£59,820	£166,188	£181,193

14. 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 2: Marlborough Playground project

15. This report seeks to commit £81,269 to the deliver of a sports development project at Marlborough Playground, a key open space with sports facilities in close proximity to the “Citizen M” development site. 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 on 23rd September at which substantial community support was pledged to the delivery of new sporting facilities on the concrete playing area. The draft proposals include a running track, boxing gym, and cycling facilities. 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 hotel.

16. 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
17. Budget £81,269 from Surrey House 20 Lavington Street (CitizenM hotel) Opens space and Sports Development contribution.
18. This project will be commissioned by the Frameworks and Implementation team in partnership with the Parks department who would act as lead partner.

Project 3: Bankside Community Space project

19. This report seeks to commit £7,369 from the “Harlequin” section 106 agreement to enhance the adjacent Bankside Community Space. The Bankside Community Space was delivered as part of the section 106 agreement with Bankside Mix and was opened in 2008. The space has been very successfully managed by Better Bankside and Bankside Residents Forum, and intensively used by a number of community and business groups. The existing service level agreement with Better Bankside provides for the general maintenance and management of the space.
20. The identified sum in the section 106 agreement would be used to deliver additional community facilities, including a bespoke display board for promoting community events, and showcasing future development and regeneration projects and programmes. Better Bankside and the Bankside Residents Forum would be required to provide a full specification of works for approval by the council and clearly demonstrate both value for money and the provision of facilities which are not required as part of their ongoing service level agreement.
21. This project will further improve a successful D1 community space and provide facilities which support ongoing socio-economic programmes to maximise the benefits of regeneration for local people, and ensure the ongoing provision of a vital community facility.
22. Community project bank: The project is not listed on the community project bank however the site is in very close proximity to the new development (less than three hundred metres), and directly meets the requirements of the section 106 agreement.
23. Bankside Community Space project budget is £7,369 from Harlequin Building, 65 Southwark Street Community Facilities contribution.

Community Project Bank concurrent

24. 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

25. 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.

Community impact statement

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

Sustainable development implications

27. As part of the Bankside Urban Forest project, as many existing materials as possible will be re-cycled and re-used within the design. Careful selection of method statements for the cleaning will be chosen to ensure existing brickwork and structures are not damaged.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

S106 Manager

28. Contributions of £365,204 and £311,258 for 10/AP/2016 (A/n 504) 65 Southwark Street and 09/AP/2320 (a/n 566) 20 Lavington Street respectively have been received. These represent the full amount of contributions due for each scheme. All the contributions (save for Archaeology) are as yet uncommitted.
29. The table below lists the agreements and the referred to contributions in, giving the available £267,081.
30. The proposed use complies with the purposes set out under the respective S106 agreements. The following amounts may therefore be approved for the abovementioned projects

Project	Harlequin Building	Citizen M Hotel	Total
Address	65 Southwark Street	Surrey House 20 Lavington Street	
Section 106 Account number	504	566	
Open space		£44,815	£44,815
Sports development		£36,454	£36,454
Site Specific Transport	£29,910	£38,623	£71,283
Public Realm Contribution	£29,910	£80,000	£109,910
Community facilities	£7,369		£7,369
Total	£67,189	£202,642	£269,831

Strategic Director of Communities, Law & Governance

31. Members of the community council are being asked to comment to Planning Committee on the proposed expenditure of a total of £269,831 from two legal agreements namely:-
- a. 65 Southwark Street dated 1 November 2010; and
 - b. 20 Lavington Street dated 30 December 2010.
32. The S106s monies must be expended in accordance with: -
- (a) the terms of the specific S106s; and
 - (b) the relevant policy tests set out in Circular 2005/05 and the first three being legal tests below which are now enshrined in Regulation 122(a) of the Community Infrastructure Levy Regulations in that they must be: -
 - (i) relevant to planning purposes;
 - (ii) necessary to make the developments on the respective sites acceptable in planning terms by mitigating adverse impacts;
 - (iii) directly related to the respective developments;
 - (iv) fairly and reasonably related in scale and kind to the respective developments; and
 - (v) reasonable in all other respects.
33. Under Schedule 3 of the **Southwark Street** section 106 the developer is required to make a contribution of £29,910 towards Public Real Improvement and £29,910 is a site specific transport contribution. Schedule 4, paragraph 4.2 requires the council to only expend and apply the contributions for the purposes specified.
34. Under Schedule 3 of the **Lavington Street** section 106 agreement the developer is required to pay the public open spaces contribution of £44,815, the public realm contribution of £80,000, a site specific transport contribution of £41,373 and £36,454 towards sports development. Under Schedule 4, paragraph 1.2. of the agreement the council must expend the public open space contribution for the creation of new council

maintained public open space or the improvement of existing publicly maintained space within the vicinity of the site, the public realm contribution must be expended on public realm improvement works and the site specific transport contribution must be expended on pedestrian crossing cycle ways traffic calming sustainable and transport measures such as car clubs and local travel plan groups in relation to the development and the sum of £2750 is to be expended on a Traffic Management order to include a taxi bay in Lavington Street in a specified location.

35. It appears that the purposes and the proposed expenditure falls within the terms of the two section 106 agreements.
36. In accordance with Part 3H, paragraph 3 it is the role of the community council to provide comments on the proposed expenditure of funds over £100,000 secured through legal agreements.

Finance Director (NR/F&R/9/1/12)

37. This report recommends that the Borough and Bankside Community Council Planning Committee notes the Borough and Bankside Community Council recommendation that various S106 funds be released and authorises the release of those funds.
38. The Finance Director notes that the monies referred to have been received and are available. Officer time to effect the recommendations will be contained within existing budgeted revenue resources.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
S106 Legal Agreement	Regeneration Department, 160 Tooley Street, London, SE1	Dan Taylor 020 7525 5450
Project Brief	Regeneration Department, 160 Tooley Street, London, SE1	Dan Taylor 020 7525 5450

APPENDICES

No.	Title
Appendix 1	Excerpts of S106 legal agreements

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	23 December 2011	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Date final report sent to Constitutional Team		16 January 2012

Excerpts of S106 legal agreements

Project	Harlequin Building	Citizen M Hotel
Address	65 Southwark Street	Surrey House 20 Lavington Street

CITIZEN M

"Construction Workplace Default Contribution"	The sum of £75,467 Index Linked payable in accordance with Paragraph 1 of Schedule 3.
"Construction Workplace and Employment Management Contribution"	The sum of £6,119 Index Linked (being 7.5% of the Construction Workplace Co-ordinator Contribution and the Employment Contribution)
"Public Open Space Contribution"	The sum of £44,815 Index Linked to be paid by the Owner to the Council in accordance with Paragraph 1 of Schedule 3.
"Public Realm Contribution"	The sum of £80,000 Index Linked to be paid by the Owner to the Council in accordance with Paragraph 1 of Schedule 3.
"Public Realm Improvement Works"	The public realm works to be undertaken on Lavington Street.
"Sports Development Contribution"	The sum of £36,454 Index Linked to be paid by the Owner to the Council in accordance with Paragraph 1 of Schedule 3.

SCHEDULE 3

1. FINANCIAL CONTRIBUTIONS

- 1.1 Prior to the carrying out of any works of Demolition on the Site or any part of the Site the Owner covenants to pay the Archaeology Contribution to the Council.
- 1.2 The Owner covenants not to Demolish any building or part of any building upon the Site until such time as the Council has received the Archaeology Contribution in full.
- 1.3 Prior to the Implementation Date the Owner shall pay:
- 1.3.1 the Employment Contribution;
 - 1.3.2 the Public Realm Contribution;
 - 1.3.3 the Public Open Space Contribution;
 - 1.3.4 the Site Specific Transport Contribution;
 - 1.3.5 the Sports Development Contribution;
 - 1.3.6 the Strategic Transport Contribution.
- 1.4 The Owner shall not Implement the Development until the Council has received the Contributions referred to in Paragraph 1.3 of this Schedule 3 in full.
- 1.5 The Construction Workplace Default Contribution shall only become payable by the Owner in the event of the circumstances set out in Paragraphs 2.3 and 2.4 of Schedule 2 arising.

HARLEQUIN

"Communities Facilities Contribution"	The sum of £7,369 to be paid by the Developer to the Council in accordance with paragraph 1 of Schedule 3 ;
"Construction Workplace Coordinator[s] Contribution"	The payment of £28,206 during the construction of the Development payable in accordance with paragraph 1 of Schedule 3 below;

"Employment in the Development Contribution"	The sum of £26,277 Index Linked to be paid by the Owner to the Council and to be expended by the Council on the provision of an Employment Workplace Co-ordinator to assist in the placement of unemployed job seekers in the local area;
"Public Realm Improvements Contribution"	The sum of £29,910 to be paid by the Developer to the Council in accordance with paragraph 1 of Schedule 3;
"Site Specific Transport Contribution"	The sum of £29,910 to be paid by the Developer to the Council in accordance with paragraph 1 of Schedule 3;

SCHEDULE 3

3. FINANCIAL CONTRIBUTIONS

- 3.1 Prior to the carrying out of any works of demolition on the Site or any part of the Site the Developer covenants to pay the Archaeology Contribution to the Council.
- 3.2 the Developer covenants not to demolish any building or part of any building upon the Site until such time as the Council has received the Archaeology Contribution in full.
- 3.3 Prior to the Implementation Date the Developer shall pay:
 - 3.1.1 the Community Facilities Contribution;
 - 3.1.2 the Construction Workplace Co-ordinator Contribution;
 - 3.1.3 the Construction Workplace Co-ordinator Management Contribution;
 - 3.1.4 the Crossrail Contribution;
 - 3.1.5 the Public Realm Contribution;
 - 3.1.6 the Site Specific Transport Contribution;
 - 3.1.7 the Strategic Transport Contribution;
 - 3.1.8 the Training and Employment Contribution;
 - 3.1.9 the Archaeology Contribution;
 - 3.1.10 the Employment in the Development Contribution;
- 3.4 The Developer shall not Implement the Development until the Council has received the contributions referred to in paragraph 1.3 above in full.