

Item No. 8.	Classification: Open	Date: 23 January 2012	Meeting Name: Bermondsey Community Council
Report title:		Section 106 Release Report for the provisional allocation of funds from the Bermondsey Spa Site C5, Grange Walk Agreement toward Abbey Road tunnel improvements.	
Ward(s) or groups affected:		Grange and Riverside Ward	
From:		Deputy Chief Executive	

RECOMMENDATION

1. That the community council comments on the proposed use of £225,000 from the Section 106 Legal agreement dated 25 January 2011 associated with planning application number 10-AP-3010, Bermondsey Spa Site C5 Grange Walk toward the Abbey Road tunnel improvements, Bermondsey. The allocation is broken down as :
 - £153,750 to carry out environmental improvements
 - £71,250 to carry out local transport and pedestrian safety measures

These funds have not yet been received and this report would only become applicable if / once the funds are paid to the Council.

BACKGROUND

2. The Section 106 agreement attached to the planning permission for the land at Bermondsey Spa site C5, Grange Walk, which includes 17 Spa Road, was signed on 25 January 2011 for the erection of 4 buildings ranging from 4 to 7 storeys in height to provide 205 residential units (use class C3). The proposal includes 796sqm of flexible commercial space either for retail (Use class A1), office (Use class B1 or community use (Use class D1)). Within the site car parking, motorbike and bicycle storage, landscaping and plant areas will be provided.
3. The development site is situated on the block formed by Spa Road, Grange Walk and Neckinger and is shown edged blue on the plan attached at Appendix 1. Development is planned to start on site in spring 2012.
4. The extensive building of rail infrastructure in the 19th Century left a legacy of railway arches across Southwark, which dissect neighbourhoods and act as barriers to development. The railway that cuts through the middle of Bermondsey Spa severs the area in two and on Abbey Road the arches impede a key walking route connecting Tower Bridge Road and Jamaica Road as the arches are dark, dirty and unpleasant to walk through.
5. The maintenance of the arches over the years has been minimal and the poor lighting, dirty environment and graffiti create a physical and perceived barrier for both pedestrians and the extension further south of successful economic activity from the riverside.
6. The Abbey Street arches (shown edged red on the plan attached at Appendix 1) along with the recently restored Spa Road arches, have historical and architectural significance as the two surviving bridges to support the first railway line built in London. They date from 1836 and include unique iron columns and are grade 2 listed.

KEY ISSUES FOR CONSIDERATION

7. Bermondsey Spa is one of Southwark's key regeneration areas undergoing widescale transformation with a number of residential schemes completed and under construction, and much additional investment in improvements to open space and public realm.
8. The route through Abbey Street arches contributes to the movement patterns within the regeneration area and also connects it to the wider Bermondsey community. However, at present this route is not well used by pedestrians due to its general state of neglect and poor lighting. The tunnels are an unattractive barrier to the continuing process of regeneration in the Bermondsey Spa area.
9. In recognition of the historical status of the arch the Railway Heritage Trust have agreed to a funding contribution of £150,000 with the anticipation that Southwark will match fund this grant 60:40 to allow the full consignment of works to be undertaken.
10. This project will see the tunnel cleaned and refurbished, including environmental improvements:
 - cleaning the arch structure, the columns, stone piers and metalwork
 - painting the columns, discoloured glazed brick wall, bridge metalwork and entrance parapets
 - upgrading the lighting
 - investigating drainage along tunnel walls and repair to minimise future staining
 - replacing linear drains in the footway
 - instating pigeon proofing measuresand local transport improvements:
 - replacing the continuous guardrail with sections in between columns to improve the view of the historic columns and maximise footway width
 - instating new kerbs and repave the footway
 - a signage review to prevent oversized vehicles damaging the tunnel
 - removal of small redundant 'No Parking' sign to west side of columns on south side of road.
11. This project will directly benefit the residents, businesses users, tourists, and visitors to Bermondsey by improving a strategic link between the riverside and parts of the Bermondsey Spa regeneration area.

Policy implications

12. Compliance with s106 of Town and Country Planning Act 1990 Circular 1/97, "Planning Obligations": The proposed expenditure will be on projects that meet the legal tests of fairly and reasonably relating to planning considerations affecting the development site, namely to be used to create *public realm improvements and site specific transport* in the environs of the development site.
13. The regeneration of the Bermondsey Spa area is a long standing borough policy. An overall masterplan was prepared by Llewellyn-Davies and adopted in 2000. One of the key objectives of the masterplan is to physically enhance people's lives through improving parks, streets and buildings. The masterplan highlights the need for a coordinated approach to public realm improvements with an emphasis toward pedestrian movement and maintaining access within the regeneration area to improve permeability.

14. The Southwark Plan 2007 places a high priority on ensuring a safe, healthy and attractive environment. The plan also requires all developments to preserve and enhance the character, heritage and vitality of Southwark through excellence in design.

Community project bank concurrent

15. The S106 legal agreement sets out that the funds are to be expended for the purposes of '*site specific transport improvements*' and on "*public realm improvements*".
16. Improvements to Abbey Street arch is priority number two in the S106 minor project prioritisation scheme for Bermondsey under the public real theme. Priority number one is St James Road tunnel which has recently had improvement works completed.

Financial Implications

17. The project costs are estimated at £375,000 and works will be fully costed and completed within the remit of the budget available.
18. The Railway Heritage have committed to funding of £150,000 through a grant application.

Sustainability Considerations

19. The proposal will make the Abbey Street arches cleaner and safer. The arch and the road are dark, damp and dirty. The dull lighting also does not contribute to a perception of a safe environment. The refurbishment of the arches will increase access around the area and its facilities to residents on both sides of the railway lines.
20. The refurbishment and new lighting will create a clean, well lit and safe environment thereby encouraging more sustainable forms of transport such as walking and cycling within the area.
21. The enhancement to Abbey Street arches is also based around the desire to conserve a feature of significant heritage value and encourage people to experience the rail heritage feature of the arches.

Consultation

22. Extensive consultation was carried out with different stakeholders in relation to the Bermondsey Spa Public Realm Strategy. The comments and results from the consultation guided the preparation of the Bermondsey Spa Public Realm masterplan.
23. The residents and other stakeholders cited the need for refurbishment/improvements on the rail arches in the area. The proposals are in line with the responses and comments received during the consultation process.
24. Extensive consultation with Councillors and staff was also undertaken as part of the Community Project Banks priorities for which this project is listed as number two.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance (112011NS)

25. Members of the Bermondsey Community Council are asked to provide comments on the proposed expenditure of section 106 in the amount of £225,000 from the Bermondsey Spa

Site C5, Grange Road legal agreement and to support the release of monies to carry out environmental improvements to the Abbey Street in Bermondsey.

26. 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.

27. Schedule 3 the s106 agreement dated 25 January 2011 specifically allocates £153,750 for public realm improvements and £102,500 for site specific transport. Members are only being asked to authorise the expenditure of £71,250 from the site specific transport contribution. In addition Schedule 4, paragraph 1.5 provides that the public realm improvement contribution will be spent on improvements to Grange Yard and/or Abbey Street Railway Arch or any other public realm improvement project listed in the Bermondsey Community Council project bank. The allocation of funds in the way proposed in the body of this report would be legally compliant.

28. The contributions only become due as and when the developer implements the planning permission. It is acceptable for Members to comment on and support the expenditure as proposed. It is noted in the body of the report that the developer may pay the contributions early to assist the council's application for match-funding. However, as the monies do not become legally due until the planning application is implemented, the council is advised against expending any of the monies received early until the permission is legally implemented as the developer could require the council to repay the monies, should they never implement the scheme.

29. Under part 3H the role of the community council exercising planning functions is to comment to the planning committee on the proposed expenditure of funds over £100,000 secured through section 106 agreements where the site to which the agreement relates and the site where the expenditure will be incurred are in the same community council area, which applies here.

Finance Director (NR/F&R/1/11/11)

30. This report recommends that the Community Council comment and support the proposed use of £225,000 from the Section 106 Legal agreement dated 25 January 2011 associated with planning application number 10-AP-3010, S106/140715 (account number 535) for Bermondsey Spa Site C, Grange Walk to carry out environmental improvements to the Abbey Road tunnel, Bermondsey.

31. The Finance Director notes that the funds have not yet been received, and that progressing the environmental improvements by the Council is dependant on physical receipt of the S106 monies. In addition the Finance Director notes the connectivity between the funding

contribution of £150,000 from the Railway Heritage Trust and match funding from the Council. No contracts should therefore be entered into until receipts of the funds, and on receipt the funding should be subject to final overview by the Finance Director before progressing.

S106 Manager Concurrent Report

32. The Agreement under account 535, 10-AP-3010, S106/140715 for Bermondsey Spa Site C, Grange Walk has secured funding totalling £1,385,565 of which none has been received. This total amount includes £153,750 for public realm, specifically noted in the agreement the acceptable use of the money for Abbey Street tunnel. There is a further £102,500 secured for site specific transportation improvements of which this report seeks to allocate £71,250 to the local transport measures, including pedestrian safety measures, along this principal access route to the site. This would give a total £225,000 for this project
33. None of the above contribution has been received by the Council, therefore this report is only seeking to allocate the contribution should it be received, to support the application to the Railway Heritage who have offered funding of £150,000. Should the funding from this development not materialise this report gives no onward obligation. The proposed use of the potential funds as described meets the purposes set out under the deed and may therefore be approved for the above project.

REASONS FOR LATENESS AND URGENCY

34. Railway Heritage require confirmation of match funding to ensure the project is included in their programme for 2012-13. To ensure that it is considered, officers need to report that it has been cleared by Community Council to go to the next Planning Committee. The report was omitted from the agenda in error.

BACKGROUND PAPERS

Background Papers	Held At	Contact
Section 106 legal agreement	Housing Regeneration Initiatives 160 Tooley Street London SE1	Gary Whitney
Railway Heritage Grant application		Jane Seymour

APPENDICES

No.	Title
Appendix 1	Site Plan

AUDIT TRAIL

Lead Officer	Jon Abbott, Project Director	
Report Author	Jillian Houghton, Project Officer	
Version	Final	
Date	11 January 2012	
Key Decision	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic of Director for Communities, Law and Governance	Yes	Yes
Finance Director	Yes	Yes
Cabinet Member	No	No
Date final report sent to Constitutional Team		12 January 2012