

Item No. 12.	Classification: Open	Date: 17 April 2012	Meeting Name: Cabinet
Report title:		Approval to Enter Grant Agreement with the GLA for the Gateway to Peckham Project	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Fiona Colley, Regeneration & Corporate Strategy	

FOREWORD – COUNCILLOR FIONA COLLEY, CABINET MEMBER FOR REGENERATION & CORPORATE STRATEGY

For many years local councillors and groups like Peckham Vision have campaigned for improvements to the Grade II listed Peckham Rye Station. Through the use of small grants such as Cleaner, Greener, Safer and with the hard work of local people and cooperation of Southern Railways we have already seen significant improvements to the old waiting room and the ticket hall.

However, with this report we are finally able to commit to delivering change on a far larger scale - to revive the splendour of Peckham Rye Station and reinstate the station forecourt to support a vibrant local economy. By signing the funding agreement we will formally secure £10.6m for this exciting project - £5.25m from GLA, £5.07m from Southwark Council and £0.35m from LIP funding (TfL/LBS).

Over the next 4 years this project will improve and make best use of space within the station (such as the old waiting room and empty arches) and it will transform the area outside the station with the demolition of the shopping arcade in front of the station and creation of a new public square opening out on to Rye Lane. We recognise that this will not be an easy project to deliver, a number of businesses will need to be relocated and we will support them through that transition.

The report represents the first step in delivering the vision we have set out in the Peckham & Nunhead area action plan to revive Peckham as a great town centre. It will provide a real change for Rye Lane and be a catalyst to bring forward other investment projects in the area.

We look forward to delivering this project with our partners, Network Rail, Southern Railways and the GLA as well as continuing to collaborate closely with Peckham Vision and other local stakeholders as the plans develop

RECOMMENDATION

That cabinet

1. Agree in principle to enter into a grant agreement with the Greater London Authority for the Gateway to Peckham project and authorise the strategic director of communities, law & governance, in consultation with the deputy chief executive, to approve the detailed terms and conditions of the grant agreement.

BACKGROUND INFORMATION

2. In December 2011, the council sought funding through the Mayor's Regeneration Fund for improvements to and around Peckham Rye Station. The project will deliver an attractive point of arrival forming an anchor in the middle of the town centre, bringing redundant space back into use, creating new job opportunities.
3. The project will be the centrepiece of the regeneration programme in Peckham and be a catalyst for further investment leading to the achievement of the vision in the Peckham and Nunhead Area Action Plan (PNAAP).
4. Peckham Rye Station is a strategic rail interchange but has historically failed to live up to the opportunity this creates. Being only 10 minutes from London Bridge and 13 minutes to London Victoria, Peckham is one of the best connected transport nodes in the borough. This will be further expanded with the introduction of the London Overground service in December 2012 creating new travel opportunities to services to the growing area of East London and with a change at Canada Water being only 13 minutes from Canary Wharf. Peckham Rye Station being equidistant from key London termini, activity areas and employment zones makes Peckham a key gateway to London.
5. The accessibility of Peckham as a place and a revitalised station and a new public space for London will create a focus of activity and be a key contributor driving significant development in Peckham. Through this project an additional 90 jobs will be created but further afield this project will support the planned 2,000 additional homes, up to 8,000sqm of business space and up to 1,500sqm of retail space identified in the PNAAP.
6. It is proposed to be delivered in three phases, gaining momentum with the delivery of each stage.
 - Phase one, will make the best use of the space within the station fabric. Currently there is over 280sqm of redundant space within the station; comprising of two vacant arch spaces, which are currently used for intermittent storage by the train operating company, a commercial space that is in poor condition has been vacant for over ten years and the Old Waiting Room. The station is currently listed and retains many Victorian features, to complement internal works, it is proposed to undertake a conservations skills training programme as a precursor to the Townscape Heritage Initiative, ensuring that local people will retain the appropriate skills to deliver this important project for the local area.
 - Phase two will transform the area surrounding the station and will see the demolition of the arcade buildings in-front of the station and the creation of a new high quality public square incorporating active uses.
 - The third phase would involve a careful programme of re-locating existing light industrial uses, improving the occupancy levels within this area and the creation of an active space to support the local evening economy.
7. The project will be delivered over a four year period and has the following identified outcomes. The council and the GLA will continue to work to develop outputs, outcomes and to test the robustness of these as part of an ongoing conversation to develop monitoring and evaluation mechanisms and track the progress of the project.

Direct economic uplift	If fully implemented the project is expected to deliver around 280sqm of new and 3,200sqm of improved commercial space, bringing additional businesses and up to 90 additional jobs to the town centre.
Increased footfall and linger time on Rye Lane	An increase in footfall from public realm improvements alone of around 3%.
Reduced walking times to and from the station	An average saving of 8.58 seconds travel time to the station through the opening up of the station forecourt.
Improved economic outlook in the town centre	Well planned improvements to public spaces within town centres can boost commercial trading by up to 40% and generate significant private sector investment.
Increased retail rents in the town centre	
Improved business coordination	The engagement of local businesses that will take place through the design and implementation phases will support ongoing work to stimulate business network formation in Peckham.
Jobs and training	Through contracting obligations we will aim to secure local employment opportunities in construction trades and apprenticeships. In addition we will ensure supply chain contracts are promoted to local SMEs to retain economic benefit from project spend in the local area.
Increased private sector investment	The project will contribute significantly to strategic improvements in Peckham's retail environment and visitor perceptions to make it a place where developers and landowners will continue to invest over the long term.

8. The bid was successful and the GLA are seeking to support the project through a grant agreement with the council for a sum of £5.25m.

KEY ISSUES FOR CONSIDERATION

9. The grant agreement will form the basis for the funding arrangement with the GLA and by entering into the agreement the council will commit itself to the deliver of the project and its constituent components.
10. The council will remain responsible for providing monitoring information in accordance with the business case, identified milestones and the final outputs, outcomes and milestones agreed in the grant agreements.
11. The grant agreement will require updates to financial and output/outcome data on a quarterly basis, although the borough will be required to collect this information on a monthly basis, which can be provided to the GLA on request.
12. The total cost of the project is £10.6m comprising of £5.25m from the GLA, £5.07m from the council and £0.35m from future Lip funding allocations. Through entering the agreement the council will commit itself to providing the match funding.

Policy implications

13. Gateway to Peckham forms a key component in delivering the aspirations and visions of the PNAAP. The confirmed policies and actions relating to regeneration and economic prosperity are consistent with the council's economic development strategy as well as the council's broader policy framework.

Community impact statement

14. A number of local businesses will be affected and a programme of relocation will be necessary for existing businesses in the arcade and the light industrial businesses to the rear of the station. The council will work with Network Rail and the lessees to identify suitable property in the area and facilitate relocation. Business support to the affected businesses will be provided through the council's existing programmes and resources.
15. As proposals are in accordance with the PNAAP and the council's economic development strategies it should have a positive impact on all Southwark residents. However the council will undertake ongoing monitoring to ensure there are no adverse implications for the community, or that any identified are proportionate to the overall objective of the programme and are minimised where possible.
16. Monitoring will be undertaken through an annual monitoring report collating all available data on the impacts of the programmed and reported to the GLA.

Resource implications

17. The project will be developed in partnership between Network Rail and the council who together form the project board with representation from key stakeholders. The board will provide strategic support and direction for the project and have decision making authority, a working group providing the technical support along with community input.

Consultation

18. As part of the consultation of the PNAAP, issues and options, the council asked the community if they would want to see a square in front of Peckham Rye Station, 86% of respondents were in favour.
19. Extensive consultation will be undertaken in the delivery of the project, with the affected businesses, local stakeholders and the community.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

20. The strategic director of communities, law & governance ("SDCLG", acting through the contracts section) notes the content of this report and will provide advice and assistance to officers in connection with the procurement of any works and services which may be required in the implementation of the proposed project for which funding has been secured. The SDCLG will review the grant agreement upon receipt of the same from the GLA in order to ensure that the council's interests are properly protected. The decision to approve the

recommendations contained within paragraph 1 is one which falls to be taken by the cabinet under paragraph 7 of Part 3C of the council constitution, as a matter concerning the strategic aspects of the regulation and control of the council's finances.

Finance Director (NR/F&R/12/9/2011)

21. This report recommends that the cabinet agrees to enter into a grant agreement with the Greater London Authority for the Gateway to Peckham project.
22. The finance director notes the key issues for consideration and resource implications contained within the report and confirms that approved capital budget to support this proposal is included within the capital programme. Officer time to effect the recommendation will be contained within existing budgeted revenue resources.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Towards a preferred option, Peckham and Nunhead Area Action Plan	Planning and Transport, 5 th Floor, 160 Tooley Street, London SE1 2QH	Alison Squires on 020 7525 5644
Economic Development Strategy	Economic Development 5 th Floor Tooley Street	Nick Wolff on 020 7525 5676
GLA Draft Agreement	Planning and Transport, 5 th Floor, Tooley Street	Sally Crew on 020 7525 5564

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Fiona Colley, Regeneration & Corporate Strategy	
Lead Officer	Eleanor Kelly, Deputy Chief Executive	
Report Author	Sally Crew, Group Manager Policy and Programmes	
Version	Final	
Dated	4 April 2012	
Key Decision?	Yes	
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
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	4 April 2012	