

Section 106 Guidance

Straightforward Advice for Southwark's Creative Economy

March 2018



SOUTHWARK STUDIOS
workspace for creative people

Introduction

The purpose of this guidance document is to explain to organisations, in straightforward language, what a Section 106 agreement is and how best to prepare for one.

This guide has been commissioned by Southwark Council and written by Creative Workspace London in association with Southwark Studios.

This guide will concentrate on advice for organisations within the creative economy as Creative Workspace London has unique knowledge of the Section 106 process, gathered over years of experience, that culminated in successfully securing a long-term, affordable property through the use of a detailed and pioneering Section 106 agreement for the local community-benefit society and workspace provider Southwark Studios.

The Section 106 agreement, the first of its kind, that secured Southwark Studios new home in the borough of Southwark is detailed within this guidance document.

Although this guide is written for Southwark based organisations working in the creative economy, as Section 106 agreements are part of the planning application process applicable to all developments throughout the UK, this document is also applicable for most organisations, not only those working within the creative economy.

Southwark Council instructed Creative Workspace London to prepare this guidance document as an explanation of our Section 106 process, provide an example of best-practice and form part of the evidence base that underpins Southwark Council's approach to the Old Kent Road Area Action Plan.

What is a Section 106?

A Section 106, or S106, is a legal agreement between a Council and a Developer. These agreements, also known as planning obligations, describe contributions a developer must provide to offset any negative impacts caused by their development.

The scope of a Section 106 will vary depending on the size of the development and the needs of the local area. They are part of the planning permission process and are therefore handled mostly by the planning department at Southwark Council, however regeneration, strategy, property and art&culture departments may also be consulted if a Section 106 concerns these areas.

What is the Creative Economy?

This guide will use the term 'creative economy' to define a broad collective of creative, community and cultural industries, inclusive of governance and structure and encompassing all business models.

Why Southwark?

Southwark is changing, and with change comes the opportunity to develop the Borough into **the** premier destination for the creative economy in our capital.

Large scale redevelopment and strategy guidance such as the 'Area Action Plan' for the Old Kent Road present opportunities for creative and cultural organisations not to be victims of change, but to become an integral part of it. Such a large area of redevelopment also requires an identity, something the creative economy can bring in abundance. However the creative economy can only establish, invest and develop a new thriving community of creative industries through opportunities to secure long-term, affordable property.

VISION

THURSDAY 7th JUNE 2029

A group of friends takes the Bakerloo line to the Old Kent Road. Every Thursday Galleries around the Old Kent Road open late to preview new exhibitions. They walk the pedestrianised green route, following the street signs that link together a network of creative businesses. They purchase a sculpture, grab dinner at the night market and finish the evening at a local live music venue.

Our wish is that the Old Kent Road's regeneration in particular, and Southwark's future in general, has a social identity with creativity at its heart. Section 106 agreements are one tool, already shown to work effectively in the Borough, that Southwark Council, Developers and organisations in the creative economy can use to facilitate this identity through securing long-term affordable property.

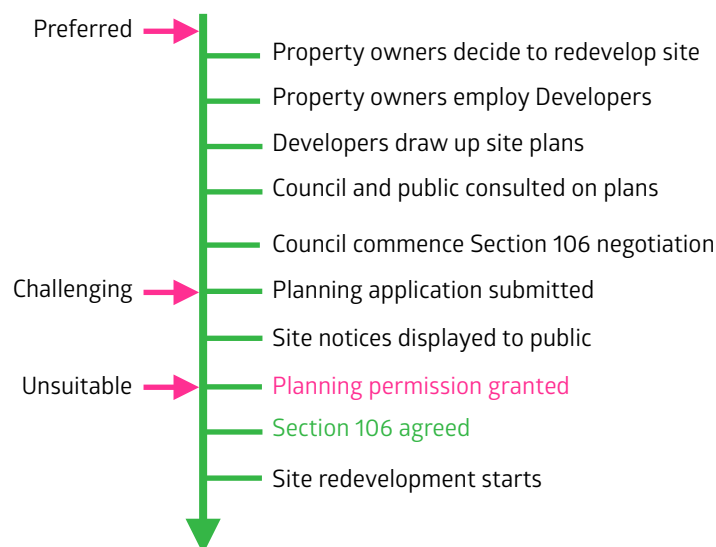
Section 106 and the Creative Economy

Section 106 agreements typically include elements such as affordable housing and public transportation improvements. However they must also mitigate, compensate and address any specific needs of the local community that may be negatively affected by any proposed development. These needs include those of the creative economy.

EXAMPLE

A property owner wishes to redevelop their commercial building into residential flats. The building has been let to a charity that provides theatre classes to local children and has done so for many years. If the charity is told to leave and has no alternative space locally the proposed development could negatively affect the needs of the local community. A Section 106 agreement may then be used to mitigate, compensate and address this situation so both the property owner and the local charity can benefit from the permission to redevelop the building.

As Section 106 agreements are linked with the granting of planning permission to develop a site, most of the work your organisation needs to do will be prior to the planning application being submitted to Southwark Council for approval. To demonstrate how late in the process a Section 106 agreement becomes relevant, and how early in the process your organisation need to be involved, below is a timeline of events for a generic redevelopment site:



This timeline demonstrates the need for your organisation to be prepared far in advance of any planning application being submitted. If you spot a planning notice posted outside the property (the site notices point on the timeline) your organisation is likely to be too late to be considered. The planning process can take several years and your organisation needs to be part of the conversation from the start.

This means if you want to stay in the property you currently use, or if you are worried about what possible future redevelopment means for your organisation, **it is your organisation's responsibility to find out who the property owner is and what their plans are.** Early intervention is vital. Finding out who owns the property may require talking to your commercial estate agent, searching the land registry online or talking to Southwark Council.

Once you identify the property owner you need to build a good working relationship with them. Talk to them, ask if they have long-term redevelopment plans for the property and make them aware of what your organisation does for your local community.

OVERVIEW

Section 106 agreements are one of the last tasks in a long process. Most of your work will be in preparation, well before a proposal for planning permission to redevelop a site is formed.

Action Point 1 - Get the word out

Once you know who the owner of the property is and have made contact, or even if you are not able to do this, the first point of action is to let others know the who, what, where and how of your organisation.

WHO are you and what is your history
WHAT activity do you do in the creative economy
WHERE are you located in Southwark
HOW does your organisation affect your community

EXAMPLE

"We are a Gallery registered with the Charities Commission, employing 3 full-time and 2 part-time staff members who all live within the Borough of Southwark. We run a rotating exhibition and educational events programme, welcoming over 20,000 visitors last year. The artists we show receive income from the sales of the work we exhibit. 75% of the 25 artists we will be showing next year also live within the Borough"

This basic information must first be shared with Southwark Council who may not be aware of what you do for the creative economy in Southwark. You may also find it useful to give this information to local support groups such as Creative Network Southwark, your local Councillor and the Greater London Authority. The more people who know about the impact your organisations has in the local creative economy, the greater your support network.

If your organisation is based within the boundary of the Old Kent Road Area Action Plan you may find it very useful to become part of the 'Old Kent Road Business Network'. This Southwark Council initiative was established to engage with local businesses in an area soon to undergo large-scale redevelopment. More details about this network and information on how to join can be found here:

<https://consultations.southwark.gov.uk/planning-and-regeneration/old-kent-road-business-network/>

Additionally join the 'Creative Old Kent Road Network', made up of local businesses and individuals working in the creative economy around, to have your voice heard and help ensure that creative talent flourishes and is integral to the future of this community.

OVERVIEW

Create an information document you can give out. Include contact details for your organisation, explain what it does, include a brief history and what your future plans are.

Action Point 2 - Collecting data

Data is important. It enables your organisation not just to talk about your social impact and why it's important, but show it, quantify it and produce evidence that could later be used in a Section 106 negotiations.

It can however be very difficult to put into numbers or statistics the benefits that organisations in the creative economy deliver. Can you measure the calming effect of an art therapy session, the joy of community theatre or the security from a job blowing glass in Southwark?

Data collection is a developing area for the creative economy. There are currently no standard or universal models for data collection to follow, however we do suggest you start by measuring your organisation in the following areas;

- 1) **Employees** - How many people work for your organisation, both full and part-time? How many hours do they work? Do you have volunteers or run an apprenticeship scheme?
- 2) **Security** - Do you lease or own the property you use? How many years are left on the current lease agreement?
- 3) **Business Rates** - How much do you pay? This is a direct contribution your organisation makes to your local community.
- 4) **Catchment area** - How far do people come to use the service you provide? Gather the home postcodes of your customers, employees and visitors.
- 5) **Who you effect** - Survey your visitors. How old they are, what community are they from, why do they come to you?
- 6) **Testimonials** - Ask people who interact with your organisation why your organisation is important to them. If you were to close what impact would that have on those individuals?

You can then use this data to measure the impact your organisation has in Southwark. Showing your impact can be as simple as photographing and archiving the events your organisation is involved in. This data will also be very useful when preparing for the future and deciding what your organisations' goals are. Additionally it enables your organisation to show tangible evidence of the effects you have in Southwark right now and therefore why it is important to secure a long-term property locally to continue to operate from.

OVERVIEW

Your organisation may have a large impact in the local creative economy however, without evidence it will prove difficult to justify inclusion within a Section 106. Make your impact visible.

Action Point 3 - Prepare *before* planning permission is submitted

Being prepared for the future is extremely important. The creative economy can sometimes be so busy with the needs of the present that looking 2, 5 or more years into the future may seem distracting. But only through proactive preparation will you be ready to make your case, secure a long-term property and continue the work your organisation does.

This is why it is vital to let Southwark Council know where you operate, what you do, why it is important to the local economy and community and, wherever possible, back this up with data.

Do not only talk to Southwark Council. Build your case by strategising within your own organisation, contact your local councillors, write to your MP and the Greater London Authority, if there are local residents who are also going to be affected by any proposed development go and talk to them. Try and gather support by explaining your situation and proposing a solution.

If your organisation is an affordable workspace provider contact Southwark Council to apply for their official workspace provider list. Application involves a detailed screening process, where your gathered data will be requested as evidence of your organisation's experience and abilities. More details can be found here: <https://www.southwark.gov.uk/business/workspace-provider-list>

If you receive a good response from the property owners to your introduction ask to be kept up to date with any redevelopment plans and let them know you are also talking with Southwark Council about the possibility of staying on site after redevelopment.

EXAMPLE

An art therapy organisation notices new residential properties being constructed locally. They contact their landlord, letting them know what they use the property for and discuss the owners ambitions to replace their building with a new mixed-use development. The organisation would like to stay on site after redevelopment so they can provide the same services for the community. They explain their situation to Southwark Council, share their data, invite the property owners to see a therapy session and gather support from local residents. As the plans for the redevelopment are drawn up the organisation continues to talk with the owners, developers and Southwark Council. Southwark Council may now look at including the organisation within the development's Section 106 agreement as a possible future leaseholder for part of the redeveloped site.

Perhaps it proves impossible to find out who owns the property you operate in. Maybe the owners' or property agents were dismissive or outright rejected the idea of providing affordable space for the creative economy as part of their redevelopment plans.

This does not mean the end of the road for your organisation on this site. If you can show why what you do is meaningful, that your services have an impact and are in demand from the local community, and you have taken the time to build a network of support, your organisation is still in an influential position.

OVERVIEW

For your organisation to be considered essential to the local area, enough for Southwark Council to become involved and consider including you in a Section 106 agreement, you must **be prepared** and **make your case**.

Action Point 4 - Securing property through a Section 106

Redevelopment and the Section 106 agreements that follow can be used as a tool to secure the long-term, affordable space your organisation needs to continue to work locally.

If your organisation has prepared and successfully made its case there can be significant and far-reaching benefits for your organisation being involved in the planning process.

The creative economy can provide an effective way for both Southwark Council and developers to achieve many aspects that planning obligations and Section 106 agreements often prescribe including;

- Retention of employment space
- Activation of any proscribed community/communal space
- Providing a 'cultural anchor' for developments
- Retention of creative, community and cultural heritage
- A boost to the scheme's green credentials
- Accomplishing a range of Southwark Council's Cultural strategy guidelines
- Achieving economic wellbeing, skills and Council plan strategy goals (see appendix)
- The quiet activity of creative/cultural businesses being perfectly compatible with mixed-use developments
- Guaranteed use of commercial space
- Addressing deprivation through community outreach
- Providing marketing opportunities that could be featured in the branding of the scheme
- The presence of a dynamic and diverse community of creative individuals and businesses assisting with aims to establish a new community

Your organisation will ideally work alongside the developers and architects employed by the property owners during the planning and Section 106 process. Eventually, if your organisation is successfully included within a Section 106 agreement, you will become long-term leaseholders of redeveloped space designed specifically for your organisation.

The creative economy is a relatively new and unknown entity, particularly for developers, who may have never worked with a similar organisation to yours before. During the process all parties involved will have questions and it is best to be open and prepared to give detailed answers.

Once your organisation becomes involved in the discussion around the redevelopment of a site consider early on what your organisation requires from a property. How much space do you need, do you need to be on the ground floor, need a loading bay or parking space, what are your hours of operation and so on.

For further information written by Southwark Council on Section 106 visit:

<https://www.southwark.gov.uk/planning-and-building-control/section-106-and-community-infrastructure-levy/section-106>

<http://www.southwark.gov.uk/planning-and-building-control/planning-policy-and-transport-policy/supplementary-planning-documents-spd/spd-by-planning-topic?chapter=6>

What to include in a Section 106

Once Southwark Council have agreed that your organisation and the services it provides the local community should be considered within a Section 106 agreement it is your organisation's responsibility to work with the developers, their architects and the Council to ensure all your property requirements are addressed within the document.

Your organisation will not be signing the Section 106 as it is a legal agreement only between the Council and the developer. It is negotiated on your organisations' behalf by Southwark Council and in detailed terms sets out the size of space, heads or terms and other important factors. Clauses within the Section 106 need to be site-specific to the individual development and tailored to your organisation's specific needs.

This guide details generic advice, but the overarching goal of any Section 106 is to link legally the inclusion of your organisation with the approval of a planning application.

OVERVIEW

A Section 106 should include for your organisation:

- 1) Definitions that explain key terms
- 2) A separate schedule dealing with the clauses relevant to your agreement
- 3) An agreement to lease the identified space to your organisation by name
- 4) Heads of terms for the lease
- 5) A floor plan that identifies the physical space your organisation will lease
- 6) A detailed description of the shell & core the Developer will provide your organisation
- 7) An agreement detailing what happens in the event your organisation does not become the leaseholder

What is right for your organisation will be unique. There is a comprehensive example below to show what can be included in a Section 106 however many details, for example the price your organisation is able to pay per square foot, will ultimately always be site-specific.

Example Section 106: Southwark Studios - A success for the creative economy in Southwark

The Section 106 example below has been compressed to give a manageable illustration of an agreement tailored specifically for an organisation within the creative economy.

We recommend the all terms listed in this example should be considered, included or expanded within any Section 106 agreement. This example however is not all-encompassing and should not be directly copied as your organisation will have specific requirements.

SOUTHWARK STUDIOS

workspace for creative people

Project History

Southwark Studios is a not-for-profit Community Benefit Society that provides affordable places to work for those in the creative economy in Southwark.

The organisation took a short-term lease in 2009 on an industrial building near Tower Bridge Road. Customised studios and communal areas were built and let on affordable terms to over 250 tenants. Southwark Studios provided support to the creative sector, developed a unique structured community, refined strong social impact benefits and started a public arts engagement and educational programme.

The design and management of the Southwark Studios complex proved popular, operated at capacity and played a significant role in business and skills development through providing well managed workspace for the borough's entrepreneurial and small business base.

After a detailed application and screening process, where evidence was provided showing experience in providing well-managed workspace and their ability to support tenants, Southwark Studios became listed as an official Southwark Council approved workspace provider (see Action Point 3).

In 2016 the Southwark Studios complex closed as the building owners demolished the site as part of large scale regeneration plans for the area.

Southwark Studios took the approach that redevelopment of their building was going to happen, but by talking to the building owners and Southwark Council from the earliest possible stage a dialogue was created that included affordable workspace for the creative economy within the redevelopment plans for the site.

By the time planning permission to demolish and redevelop the building into a mixed-use site was granted in 2016 Southwark Studios had become an integral part of the developer's vision and the Council's strategy for the site.

This was achieved through five years of meetings, strategy guidance, educational talks and negotiation that ultimately resulted in the most detailed Section 106 agreement ever produced for an affordable workspace provider.

The removal of Southwark Studios due to the site's redevelopment was ultimately seen by Southwark Council as a negative impact of regeneration for the site. By using a Section 106 agreement Southwark Studios inclusion within the redevelopment was legally locked in, directly linking Southwark Council's granting of planning permission to redevelop with the obligation to provide Southwark Studios designated commercial space on a long-term lease at an affordable rental price agreed by all parties.

Example Section 106 Terms - Definitions

1. "Artists' Workspace Areas" - means Area A which is to be provided as part of the Development and which are to be;
 - (i) constructed and provided by the Owner in accordance with the Artists' Workspace Specification; and
 - (ii) let to an Artists' Workspace Operator; and
 - (iii) retained as artists' gallery and artists' studio space and associated retail and ancillary office use only for the period of X years from the commencement date of the first Artists' Workspace Lease
2. "Artists' Workspace Lease" - means a lease of the Artists' Workspace Areas;
 - (i) to be granted to an Artists' Workspace Operator;
 - (ii) consistent with the heads of terms (unless otherwise agreed in writing by the Council);
3. "Artists' Workspace Provider" - means a not-for-profit organisation approved by the Council.
4. "Artists' Workspace Specification" - means a specification for the detailed design of the Artists' Workspace as set out.
5. "Area A" - means the area of approximately X square metres as shown shaded for identification purposes on the attached plans. *(also see identifying the space).*

OVERVIEW

Definitions should give context and explain key terms at a level of detail your organisation feels is appropriate. This section is used to avoid any confusion throughout the Section 106 and broadly fall into the categories of WHO, WHAT and WHERE.

Example Section 106 Terms - Schedule

The Owner covenants as follows;

1. Following the Implementation date to construct or procure the construction of Area A of the Artists' Workspace Areas in accordance with the Artists' Workspace Specification relevant to Area A; and
2. To serve upon the Council an Artists' Workspace Completion Notice on practical completion of Area A; and
3. To allow the Surveyor access to the Artists' Workspace Areas for the purpose of inspection and ascertaining compliance with the Artists' Workspace Specification; and
4. Not to Occupy or permit Occupation of more than 50% of the Remaining Units of the Development until a Confirmation Certificate or Confirmation Certificates have been issued in respect of Area A.

OVERVIEW

The schedule should state simply what the developer is agreeing to do for your organisation. Point 4 in this example also ties permitting residential occupation to the inclusion of the creative organisation, effectively adding another layer of certainty for the organisation that the developer will follow through with this agreement. This is an important clause that we recommend you also consider including in any Section 106.

Example Section 106 Terms - Agreement to lease

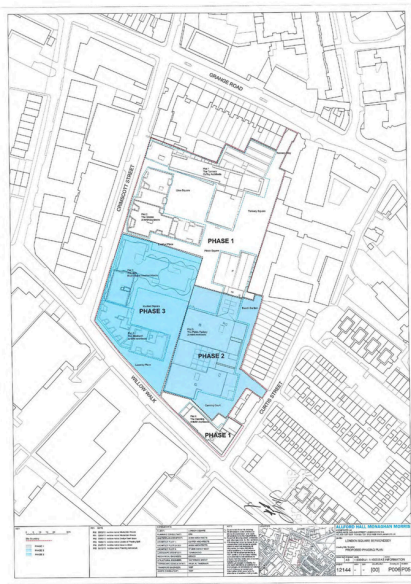
5. The Owner agrees to negotiate in good faith with the Artists' Workspace Operators in order to agree the form of Artists' Workspace Lease prior to Practical Completion of the Artists' Workspace Areas in relation to Area A firstly to Southwark Studios.
6. The final form of the Artists' Workspace Lease agreed with the first Artists' Workspace Operator shall be approved in writing by the Council prior to the grant of such lease, such approval not to be unreasonably withheld or delayed.
7. If terms are not agreed with the Artists' Workspace Operators for any reason then the Owner will inform the Council of the reasons within five (5) working days of the end of negotiations.

OVERVIEW

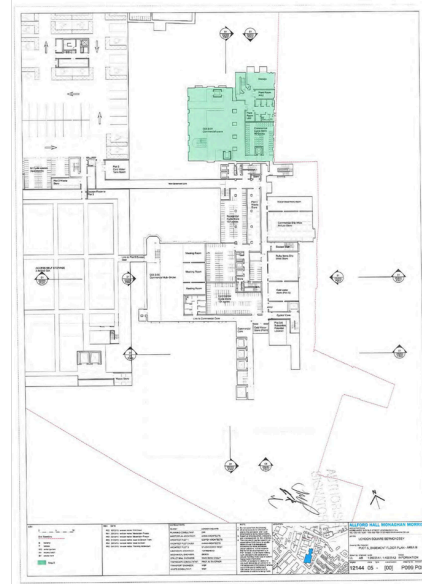
It is important within this section for your organisation to identify by name as the first entity that will be offered the lease on the agreed space.

Example Section 106 Terms - Identifying the space

The highlighted area in the site/plot plans of approximately X square metres as shown shaded for identification purposes on attached plans.



Site/Plot Plan



Floor Plan

OVERVIEW

Identify the space your organisation will occupy on site/plot and floor plans.

Example Section 106 Terms - Heads of terms

1. Demise - To comprise the premises known as Area A being approximately X square metres (GIA)
2. Lease - Internal repairing lease for a term of X years to commence no earlier than the issue of the Confirmation Certificate unless at the tenant's request. The lease to be within the Security of Tenure and Compensation Provisions of the Landlord and Tenant Act 1954 (as amended)
3. Use - A1 Artist Studio Workspace with amenity office and D1 gallery space
4. Rent - £X per square foot To be calculated on the Net Lettable Area exclusive of service charges, insurance and VAT.
5. Rent Review - [Five] yearly upward only, [RPI] linked.
6. Rent Free Period - X years from the grant of the first lease to be granted of the premises concerned
7. Alienation - The tenant is permitted without Landlord's consent to grant licences of studio / workshop spaces provided that they do not create a relationship of Landlord and Tenant. The tenant is permitted without landlord's consent to share occupation of part or whole of the premises with associated, connected or partner agencies provided that no relationship of Landlord and Tenant is created.

8. Service Charges - Service charges to be levied in adherence to RICS Code of Practice: Service Charges in Commercial Property and subject to the arbitration procedures therein.
9. Insurance - Lessee to insure their own fixtures and fittings and to provide third party liability insurance. The landlord to insure building structure and to charge an insurance rent on a proportionate basis.
10. Utilities - The Premises will be served by electricity, water, drainage and gas or CHP heating.
11. Compliance - The lessee to be responsible for compliance with legislation and regulations and where appropriate both parties to co-operate.
12. Rights Granted - The lessee to be granted rights of access including emergency escape rights. Rights of access and use of the loading facilities. Rights of access and use to refuse facilities. Rights to connect to CHP to be separately metered and charged accordingly.
13. Alterations - The Lessee may not carry out structural alterations. No consent will be required for non-structural alterations however the Lessee is to provide the Lessor with details of such alterations within 12 weeks of completion of such works. All alterations to be compliant with regulations.
14. Reinstatement - The Lessee will be required to offer up the premises in the condition in which they were let, clean and tidy, decorated condition free of the lessee's possessions but the lessee will not be required to undertake any structural works including the removal of partitions, kitchens, sanitary facilities or mechanical and electrical installations.
15. Break Clause - In relation to Area A the Lessee will be entitled to operate a break clause after 5 years.
16. Legal Costs - Each party to bear its own.

OVERVIEW

Heads of terms cover a range of very important aspects including rent, rights and costs. Terms will always be organisation and site-specific these example terms should only be used as a guide.

Example Section 106 Terms - Shell & Core

This outline scope of work is intended to set out the basic requirements for the Artists' Workspace Operators for the proposed Artist Workspace Areas.

1. Floor - Screed polished to finish
2. Ceilings - Fair faced concrete soffit. Ensure that acoustic insulation between different occupiers meets the requirements of the Building Regulations and is sufficient to acoustically separate each part of the building, notably the ceiling of ground floor that separates commercial entities
3. Wall Finishes - Fair faced block. Thermally and acoustically insulated.
4. Doors - Set of double doors combined width at least 1500mm. Electronic key fob lock system with manual key override, glass panel, aluminium frame, 5/7 point key locking
5. Services - Provide all statutory services, including electrical installation, including wiring, water, internal and external drainage and gas. Ducts to be provided for future installation of mains services by tenant. Provide distribution boards DDA compliant. Provide containment for data cables parallel to the power cable distribution and incoming fibre optic Internet line. Ensure that all electrical distribution is adequately separated from all data cabling. Provide adequate emergency lighting in appropriate areas. Provide sufficient fresh air and ventilation to all areas (either mechanical or natural)
6. Toilets - Sanitary appliances to be provided that comply with statutory requirements
7. Means of Escape - Ensure that there is a means of escape proposal that complies with the statutory requirements
8. Signage - Ensure there are no impediments to exterior signage including all entrance and exit doors, directional and general information signage.

OVERVIEW

Shell & Core lays out what the developers will provide for your organisation on site. This may be basic or, through negotiation, be a very specific full fit-out to your organisational requirements. Consider how your organisation will layout the internal space so it can operate successfully on site.

Example Section 106 Terms - Backup plan

In the event the Artists' Workspace Operator identified in this Schedule do not agree terms with the Owner the Owner covenants with the Council;

1. To submit to the Council for its approval in writing an Artists' Workspace Marketing Strategy in relation to such part of the Artists' Workspace Areas as remain unlet; and
2. Not to Occupy nor permit the Occupation of such parts of the Artists' Workspace Areas as remain unlet until such areas have been promoted by an Artists' Workspace Marketing Agency in accordance with such Artists' Workspace Marketing Strategy (with such changes as the Council shall approve).
3. The promotion referred to shall be conducted to ensure that the Artists' Workspace Areas are promoted to Artists' Workspace Operators through an open advertisement process to the appropriate agencies
4. The appropriate agencies shall include; GLA Culture Service, Southwark Council Workspace Providers list, Arts Council England
5. The Owner covenants with the Council to market the Artists' Workspace Areas through an Artists' Workspace Marketing Agency in accordance with an Artists' Workspace Marketing Strategy approved by the Council on every occasion within the period referred to in the definition of 'Artists' Workspace Areas' that Area A become available for letting to an Artists' Workspace Operator so that the Artists' Workspace Areas are let under an Artists' Workspace Lease.

OVERVIEW

Southwark Council will require a plan to enact in extenuating circumstances if your organisation does not become the leaseholder of the designated space. The Section 106 assigns space to be used by the creative economy, if your organisation is not able to use the property these additional terms will ensure it will still be made available to the sector.

Section 106 - Notes

Any Section 106 agreement will be so site and organisation-specific that this example, although pioneering in its level of detail, cannot be fully inclusive to your organisational needs and can only be used as a best practice example.

Details to consider in addition to this example are diverse. The process of drafting a Section 106 agreement takes time, commitment and unique knowledge. It is imperative your organisation invests in a solicitor who specialises in commercial property. You should also contact Southwark Council about your site and ask us for project-specific Section 106 advice.

Conclusion

Communities working within the creative economy in Southwark bring cultural, economic and social benefits to regeneration sites. Integrating the creative economy into new mixed-use developments brings benefits for all involved. The presence of creative, dynamic and diverse groups, along with multiple additional benefits, also assists with the aim to establish new vibrant, integrated communities in which people are happy to live.

As Southwark Council creates strategies, guidance and permits large-scale redevelopment of our Borough the creative economy must be mindful that change creates opportunities for them too. Southwark Council are leading the way with pioneering advancements in Section 106 agreements designed specifically to benefit organisations for its' creative economy.

If organisations can make their local impact visible, negotiate specific and detailed Section 106 agreements and ask for help when in need, there is a good chance that long-term affordable property will be the solid foundation that a legacy of creativity can be built on.

Appendix

We recommend reading through the following information to help your organisation align with Southwark Council objectives, receive support and get prepared before making your Section 106 case.

Documentation - Information from Southwark Council

Support for Businesses:

<https://www.southwark.gov.uk/business/business-support-and-advice/business-support?chapter=2>

The Council Plan:

[https://www.southwark.gov.uk/assets/attach/3659/Council%20Plan%202014-18%20\(2016%20Refresh\).pdf](https://www.southwark.gov.uk/assets/attach/3659/Council%20Plan%202014-18%20(2016%20Refresh).pdf)

Economic Wellbeing Strategy:

<https://www.southwark.gov.uk/assets/attach/2933/Economic%20Wellbeing%20Strategy%202017-2022.pdf>

Skills Strategy:

<http://moderngov.southwark.gov.uk/ielssueDetails.aspx?Ild=50014462&Opt=3>

Cultural Strategy:

<http://www.southwark.gov.uk/events-culture-and-heritage/creative-southwark/about-creative-southwark/cultural-strategy>

Affordable Workspace Provider list:

<https://www.southwark.gov.uk/business/workspace-provider-list>

Old Kent Road Business Network:

<https://consultations.southwark.gov.uk/planning-and-regeneration/old-kent-road-business-network/>

Area Action Plans:

<http://www.southwark.gov.uk/planning-and-building-control/planning-policy-and-transport-policy/development-plan/area-action-plans>

Section 106:

<https://www.southwark.gov.uk/planning-and-building-control/section-106-and-community-infrastructure-levy/section-106>

<http://www.southwark.gov.uk/planning-and-building-control/planning-policy-and-transport-policy/supplementary-planning-documents-spd/spd-by-planning-topic?chapter=6>

Consultation - Creative Workspace London

Specialist advice on the provision, creation and management of property for the creative economy with a focus on the borough of Southwark.

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<p>New Southwark Plan:</p>	<p>Policy P26 Office and Business Development</p> <p>In the Central Activities Zone, town centres, and opportunity areas and where specified in site allocations development must:</p> <ol style="list-style-type: none"> 1.1 Retain or increase the amount of employment floorspace (GIA) on-site (B class use or sui generis employment generating uses); and 1.2 Promote the successful integration of homes and employment space in physical layout and servicing in areas that will accommodate mixed use development. This will include a range of employment spaces including freight, logistics, light industry, co-working, maker spaces and offices; and 1.3 Provide a marketing strategy for the use and occupation of the employment space to be delivered to demonstrate how it will meet current market demand; or <p>2 In exceptional circumstances, the loss of employment floorspace may be accepted in the Central Activities Zone, town centres, opportunity areas and where specified in site allocations where the retention or uplift in employment floorspace on the site is not feasible. This must be demonstrated through a marketing exercise for two years immediately prior to any planning application, for both its existing condition and as an opportunity for an improved employment use through redevelopment which shows there is no demand</p>
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	<p>Policy P28 Small and Independent Business</p> <p>Development must:</p> <ol style="list-style-type: none"> 1 Retain small and independent businesses. Where existing small and independent businesses are at risk of displacement from a development there should be full consideration of the feasibility of providing affordable and suitable space for existing occupiers in the completed development; and 2 Incorporate well designed and flexible units suitable for small and independent businesses. These must include a range of unit sizes and types. Opportunities for long term management of small business units by workspace providers should be fully explored. Furthermore there should be consideration of the feasibility of clustering non-residential uses in single use buildings (horizontal mixed use) and a full fit out.
	<p>P38: Business relocation</p> <ol style="list-style-type: none"> 1. Where existing small or independent businesses or small shops are displaced by development a business relocation strategy, written in consultation with affected businesses, must be provided. The business relocation strategy must set out viable relocation options. 2. All business relocation strategies must include: <ol style="list-style-type: none"> i. Existing levels of non-residential floorspace (GIA) separated by use class, including vacant units and yards; ii. Schedule of existing businesses operating on the site including business sector, estimated number of employees and lease terms; iii. Proposed levels of non-residential floorspace (GIA); iv. Details of engagement with existing businesses on-site regarding re-provision of premises or relocation options; v. Details of engagement with the council and workspace providers to secure occupiers for new employment space. 3. Where existing businesses are accommodated in new development schemes the strategy should include: <ol style="list-style-type: none"> i. Specific business requirements including servicing, fit out and lease terms; and ii. Temporary relocation arrangements or scheme phasing to allow the continuation of the business during construction. Temporary relocation should be contained on-site or as close to the original site as possible. 4 Where existing businesses are proposed to be relocated the strategy should include: <ol style="list-style-type: none"> i Reasons why existing businesses cannot be located on-site; ii Details of relocation options explored with individual businesses and the assistance that will be provided. Evidence should be given that the relocation option is suitable for the viable continuation of the business; iii. Identification of alternative premises in in Southwark. Where no suitable sites exist, sites should be identified in adjacent boroughs; iv. Statements from existing businesses should they wish to cease trading rather than relocate Collaboration with other landowners to establish whether suitable workspace for existing businesses could be accommodated in different phases of the development programmes.
	<p>Policy SP4: Strong local economy</p> <p>We will work to make sure that Southwark has a strong economy where all of our existing and new residents and workers benefit. This will be achieved through:</p> <ul style="list-style-type: none"> Bringing more opportunities for people to find work, get into training and achieve their aspirations; and Making Southwark a place where the town centres and high streets thrive and are a place to do business in the London and global economy, where business owners know this is the borough where their enterprises will grow and prosper; and Ensuring the distinctive town and local centres will be places where shops, leisure, office and community uses are competitive and popular, providing customer choice for local communities; and Working with our residents to assist them to be and stay financially independent; Ensuring we retain the industrial premises London needs; and Working with local business and other partners to make sure our residents are equipped with the skills and knowledge to access the many exciting opportunities that being in Southwark brings; and Ensuring the delivery of 500 new affordable small business units

<p>Old Kent Road Opportunity Area AAP:</p>	<p>AAP 6: Businesses and workspace - The Bow Tie We will strengthen the vibrant business community of Old Kent Road and promote an innovative mix of uses that includes light industrial, offices, manufacturing, distribution and creative workspaces from laptops to forklifts. To achieve this we will:</p> <ul style="list-style-type: none"> - Double the number of jobs from 10,000 to 20,000 by 2036; and - Increase the range of jobs by providing different types and sizes of workspaces including light industrial, maker spaces, warehousing and distribution and offices as well as jobs in retail, leisure, education and entertainment; and - Increase employment space for existing small and independent businesses; and - Increase industrious workspace in developments along with housing, offices and shops using innovative design solutions; and - Work with local business and other partners to make sure our residents are trained and ready to access the many exciting job opportunities. Development must: - Retain or increase the amount of employment floorspace (GIA) on site (B class use or sui generis employment generating uses); and - Accommodate existing businesses on site or in the Old Kent Road opportunity area or provide relocation options for businesses that will be displaced by development; and - Generate employment where non-residential floorspace is required and result in an increase in the number of jobs provided; and - Ensure that employment floorspace is suitable to meet current demand and intended occupiers; and - Deliver workspace managed by a specialist provider for office and light industrial uses to support existing and new small businesses. The provider must be identified in the early stages of planning to ensure the space can be designed and tailored to specific needs; and - Provide an element of affordable workspace on site that is either managed by a non-profit organisation or let to existing businesses from the Old Kent Road opportunity area. This should be secured for at least 30 years at rents appropriate to the viability of the business. If it is not possible to provide this quota on site a financial contribution will be required for off-site projects.
<p>Core Strategy:</p>	<p>Strategic Policy 10 – Jobs and Businesses We will increase the number of jobs in Southwark and create an environment in which businesses can thrive. We will also try to ensure that local people and businesses benefit from opportunities which are generated from development. We will do this by</p> <ol style="list-style-type: none"> 1. Protecting existing business space and supporting the provision of around 400,000 sqm – 500,000 sqm of additional business floorspace over the plan period in the Bankside, Borough and London Bridge opportunity area, to help meet central London’s need for office space. 2. Protecting existing business floorspace and supporting the provision of around 25,000sqm - 30,000sqm of additional business floorspace to help meet general demand for office space in the following locations: <ul style="list-style-type: none"> - The CAZ. - Town and local centres. - Strategic cultural areas. - Action area cores. - Camberwell Action Area. - On classified roads. 3. Protecting industrial and warehousing floorspace and enabling growth in new sectors such as green manufacturing and technology in the following strategic and local preferred industrial locations: <ul style="list-style-type: none"> - Bermondsey. - Old Kent Road. - Parkhouse Street (which will also be protected for a possible depot for trams or alternative forms of public transport). - Mandela Way. 4. Protecting small units in the locations listed in the 3 bullet points above and encouraging provision of flexible space to help meet the needs of the local office market and independent retailers. 5. Protecting creative, cultural and tourism facilities and encourage new facilities, particularly in strategic cultural areas. 6. Allowing development of hotels within the town centres, the strategic cultural areas, and places with good access to public transport services, providing that these do not harm the local character. 7. Targeting new jobs and training opportunities which arise from development towards local people. 8. Promoting supply chain opportunities for local businesses during and after construction of development. 9. The need to avoid areas at high risk of flooding.
<p>Local Plan:</p>	<p>Policy 1.5 - Small Business Units The LPA will protect and encourage appropriate business and commercial developments which meet the needs of small businesses in the following ways: Any proposals for the change of use or redevelopment of employment sites which include small business units and to which Policies 1.2, 1.3 or 1.4 apply shall make equivalent provision for Please note: Following the adoption of the core strategy in April 2011 the Preferred Office Location and Public Transport Accessibility Zone designations no longer exist. However, the following have been added to the list of criteria in points i-iv:</p> <ul style="list-style-type: none"> - Town and local centres - Action area cores - Camberwell Action Area - small units within the replacement floorspace for Class B uses unless the existing Small Business Units have been vacant for 12 months or there is comparable alternative provision provided by the applicant;
<p>S106 Planning Obligations and CIL SPD:</p>	<p>Employment and Enterprise: Loss of Employment Floorspace We will seek to secure a section 106 planning obligation from developers who cannot meet the criteria set out in the saved Southwark Plan Policy 1.4 that are used to assess development schemes which include a net loss of floor space in business use. The planning obligation will contribute towards skills and employment programmes where employment floorspace in protected employment locations is lost.</p> <p>Employment and Enterprise: Other Obligations We may also seek to secure additional planning obligations, depending on the nature of the site and development scheme, which include:</p> <ul style="list-style-type: none"> - provision of affordable business or retail units when required within area based planning policy documents. - local procurement and supply chain measures - relocation assistance for existing businesses