



Consultation Report

Section 106 SPD Addendum

January 2017

1. Introduction

- 1.1. The Old Kent Road Area Action Plan (AAP) is a plan to regenerate the Old Kent Road and surrounding area. It sets out a vision for how the area will change over the period leading up to 2036. This includes delivering 20,000 new homes and 5,000 additional jobs. The vision is supported by a strategy with policies we will put in place to deliver it. The AAP will make sure that over the next twenty years we get the right development needed to support a healthy, safe and prosperous community and a fairer future for all in the Old Kent Road area.
- 1.2. Between June and November 2016 we consulted on the Old Kent Road AAP alongside other documents including an Addendum to the Section 106 Planning Obligations and Community Infrastructure Levy (CIL) Supplementary Planning Document (“the SPD addendum”) and a revised CIL charging schedule.
- 1.3. The SPD addendum, the focus of this report, sets out interim guidance on the approach to using section 106 planning obligations to contribute towards funding transport infrastructure in the Old Kent Road Opportunity Area prior to the introduction of a revised CIL charging schedule (once the revised CIL is adopted this section 106 contribution no longer be required). the SPD addendum states that developments providing 100 or more homes in the southern part of the opportunity area (currently falling within CIL zone 3) will be expected to contribute £164 per square metre towards the Bakerloo Line extension stations.

2. How we consulted

- 2.1. We carried out consultation in accordance with our adopted statement of community involvement, which explains how we will consult the community in the preparation of planning policy documents.
- 2.2. The documents were published on the council’s website and made available at libraries, one stop shops and the council’s Tooley Street offices. An advert publicising the documents being consulted on was put in the press and written notification will be sent to around 1000 contacts on the Planning Policy mailing list and My Southwark. Council officers also attended a large number of public events and consultation activities and a leaflet was sent to all addresses in the Opportunity Area. Further details are provided in the Consultation Plan on the Draft Old Kent Road Area Action Plan, CIL Preliminary Charging Schedule and SPD Addendum available on the Council’s website at: <http://www.southwark.gov.uk/planning-and-building-control/planning-policy/development-plan/area-action-plan?chapter=2>

3. Representations received

- 3.1. Following the consultation on the Section 106 SPD addendum we reviewed the comments received. Table 1 overleaf provides summaries of the representations along with an officer response to each representation. Where relevant the response provides details of how representations were taken into account in developing the final version of the SPD Addendum.

Table 1: Summary or representations and Council responses to each

Summary of representation	Council response
<p><i>Resident:</i> Object to the provision of green spaces and amenity for the benefit of overseas investors speculating on the property market. If the scheme is led by private investors then almost all public realm should be removed and more housing packed in to increase the section 106 contribution that Southwark can go off elsewhere and do some good with.</p>	<p>Noted. Developments will be private sector led but the AAP and wider Development Plan policies will ensure that it delivers a wide range of benefits for local people.</p>
<p><i>OKR people network:</i> The Council's delivery plan says that developer contributions towards infrastructure costs will bring in £188 million and that this could pay for the new schools, new open space and an electricity network. No funds are allocated for health, sports and play facilities. Even the contributions proposed could be lost as the Council says it has to show developers are contributing to the Bakerloo Line Extension, costed at between £1.25 billion – 2.5 billion.</p>	<p>There is indeed a funding gap identified (i.e. a gap between known commitments and the total cost of infrastructure required) and CIL and section 106 will not be able to fill this alone, as acknowledged in the original cabinet report and background paper. Work is ongoing to identify alternative funding sources (including for Bakerloo Line Extension) and the infrastructure plan, a living document, will be updated to reflect this.</p>
<p><i>Barkwest Ltd:</i> Request that a sentence is included in the addendum to state that where a site or linked site contributes to or facilitates social infrastructure, such as a school or school expansion, this will form part of viability discussions on other planning obligations.</p>	<p>Southwark's section 106 and CIL SPD states that Section 106 planning obligations will be negotiated where items sought are clearly linked to the development site and are needed to make that particular development acceptable. The draft Old Kent Road AAP states that we will secure land for schools through Section 106 planning obligations where needs arising from development exceeds available school places. The adopted Development Viability SPD is clear that where viability is a relevant consideration in respect of achieving planning policy compliance, applicants should submit a financial viability appraisal. The process and information requirements are clearly set out in the SPD. Therefore it is not considered that any further text on viability discussions is required.</p>
<p><i>Sport England:</i> There is a lack of a robust evidence base to support the actions identified in the Infrastructure Plan, SPD and Regulation 123 List and therefore they object to the proposed revisions until the Council are clear on what sports facilities are actually required.</p>	<p>Southwark has commissioned the production of a Playing Pitch Strategy, the latest trajectory of housing development is being used in its preparation and a draft is expected early in 2017. This will inform any required updates to the Infrastructure Plan. In February 2016 Southwark worked with Sport England to understand the supply and demand for swimming pools and sports halls using Sport England's Facilities Planning Model and Sports Facilities Calculator. There is some unmet demand in the south of the borough and increased future demand is expected in the Old Kent Road area. Since then the Castle Leisure Centre has opened. Further new facilities are anticipated in Canada Water, Burgess Park and on Surrey Canal Road in Lewisham will help meet needs. Southwark also encourages shared facilities in school and commercial indoor sports facilities. Progress in delivering this significant pipeline of facilities will be</p>

	<p>monitored to ensure shortfalls are addressed (the larger part of the need for sports facilities will not arise until 2026 onwards). The text in the SPD on sport and play facilities has been clarified; new sport facilities will be funded through CIL where the need arises; off site play facilities will be funded through s106 in accordance with the s106 SPD.</p>
<p><i>Berkley Homes:</i> The wording of the Draft Revised SPD requires further clarification regarding how the Bakerloo Line Extension (BLE) is to be funded by CIL and S106 payments. There is a risk that 'double dipping' will occur as it is not clear from the Draft Revised SPD what consideration is given to the direct provision in schemes of infrastructure and what requirements will form additional pooled contributions through Section 106 or potentially future CIL infrastructure contributions</p>	<p>As stated in the SPD addendum, we will amend our Regulation 123 List to make clear which infrastructure will be funded by CIL rather than s106 and we will ensure robust monitoring measures are in place to avoid any 'double dipping' in practice. The wording of the SPD has been clarified to make it clear that s106 will be used to fund work on the two stations prior to the adoption of CIL; and that on adoption of CIL, a revised regulation 123 list will be adopted making it clear that further work to the stations will be funded through CIL rather than s106. Where specific infrastructure is to be provided on a particular site as part of the development scheme, such as open space, clearly it would be unreasonable to seek to secure s106 funding for the same item of infrastructure as this would fail to meet the statutory tests.</p>
<p><i>Berkley homes:</i> Key sites may stall on viability grounds through the requirements of CIL and S106 paying for the Bakerloo Line Extension and the delivery of affordable housing and other infrastructure. The Council must therefore take a pragmatic approach to the viability of developments if a comprehensive approach is to be taken to the plan area.</p>	<p>The adopted Development Viability SPD is clear that where viability is a relevant consideration in respect of achieving planning policy compliance, applicants should submit a financial viability appraisal. The process and information requirements are clearly set out in the SPD. As stated in the background paper, the Council's flexible approach to the application of its affordable housing targets will ensure the viability of developments is not adversely affected over the economic cycle whilst still delivering the maximum quantum of viable affordable housing.</p>
<p><i>GLA:</i> The Mayor welcomes the principle of Southwark seeking to secure appropriate developer contributions in order to support the funding and delivery of improved transport infrastructure, particularly the Bakerloo Line extension. Likewise, the proposed amendments to your S106 SPD support and reinforce this objective.</p>	<p>Noted.</p>

4. Next steps

- 4.1. No examination-in-public is required for Supplementary Planning Documents. The amended SPD addendum will now be taken to Cabinet for approval and then adopted.