<table>
<thead>
<tr>
<th>Appendices</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appendix 1:</td>
<td>Draft Statement of Reasons</td>
</tr>
<tr>
<td>Appendix 2:</td>
<td>CPO Resolution Plan</td>
</tr>
<tr>
<td>Appendix 3:</td>
<td>Section 227 Acquisition Plan</td>
</tr>
<tr>
<td>Appendix 4:</td>
<td>Section 227 Acquisition Heads of Terms</td>
</tr>
<tr>
<td>Appendix 5:</td>
<td>Plan of Renewal’s Existing Ownership</td>
</tr>
<tr>
<td>Appendix 6:</td>
<td>Table of Freehold and Leasehold Interests to be Acquired, plans of freehold, head leasehold and under leasehold interests, plan showing third party interests to be acquired</td>
</tr>
<tr>
<td>Appendix 7:</td>
<td>Utilities Plan</td>
</tr>
<tr>
<td>Appendix 8:</td>
<td>Rights of Light Plans</td>
</tr>
</tbody>
</table>
APPENDIX 1: DRAFT STATEMENT OF REASONS
The London Borough of Lewisham (Land to the North and South of Surrey Canal Road, London SE14, 15 and 16 and forming part of the New Bermondsey Site,) Compulsory Purchase Order 2015

The Town and Country Planning Act 1990

and

The Local Government (Miscellaneous Provisions) Act 1976

and

The Acquisition of Land Act 1981

Statement of Reasons
CONTENTS
1. INTRODUCTION ............................................................................................................................... 1
2. THE ORDER LAND ............................................................................................................................ 6
3. POWERS ........................................................................................................................................ 9
4. PLANNING FRAMEWORK AND PLANNING POSITION IN RELATION TO THE SCHEME ....... 13
5. PROPOSALS FOR REDEVELOPMENT OF SITE, INCLUDING THE ORDER LAND ........... 22
6. DELIVERY ...................................................................................................................................... 29
7. CONSULTATION ............................................................................................................................ 35
8. ATTEMPTS TO ACQUIRE BY AGREEMENT .................................................................................. 38
9. THE CASE FOR COMPULSORY PURCHASE .............................................................................. 40
10. HUMAN RIGHTS ......................................................................................................................... 43
11. REGENERATION AND EQUALITIES STATEMENT ................................................................. 45
12. ENQUIRIES .................................................................................................................................... 49
APPENDIX A - LOCATION MAP ........................................................................................................... 51
APPENDIX B - ORDER MAP ................................................................................................................ 52
APPENDIX C - SCHEME LAYOUT (ILLUSTRATIVE) ......................................................................... 53
APPENDIX D - PHASING PLAN ............................................................................................................. 54
APPENDIX E - LAND OWNERSHIP PLANS ...................................................................................... 55
APPENDIX F - PLANNING POLICIES ................................................................................................. 56
APPENDIX G - LAND INTERESTS TO BE ACQUIRED ...................................................................... 58
APPENDIX H – RELOCATION STRATEGY ......................................................................................... 59
APPENDIX I - NEW CROSS WARD PROFILE .................................................................................. 60
APPENDIX K- EQUALITIES ANALYSIS ......................................................................................... 63
APPENDIX L - DOCUMENTS TO BE REFERRED TO ...................................................................... 64
STATEMENT OF REASONS

1. INTRODUCTION

1.1 This document is the Statement of Reasons for the above Compulsory Purchase Order, namely, The London Borough of Lewisham (Land to the north and south of Surrey Canal Road, London SE14, 15 and 16 and forming part of the New Bermondsey Site) Compulsory Purchase Order 2015 (Order). The land and interests in the land included within the Order are referred to as ‘the Order Land’.

1.2 The London Borough of Lewisham (the Council) is the local planning authority and acquiring authority for the administrative area that includes the Order Land. The Council has made the Order and has submitted it to the Secretary of State for Communities and Local Government (Secretary of State) for confirmation. The Order was made under Section 226(1)(a) of the Town and Country Planning Act 1990 as amended (1990 Act), Section 13 of the Local Government (Miscellaneous Provisions) Act 1976 (1976 Act) and the Acquisition of Land Act 1981. The Order will, if confirmed by the Secretary of State, authorise the compulsory acquisition of land and new rights to enable the Scheme (as defined below) to be delivered.

1.3 The Order Land lies to the north and south of Surrey Canal Road. It forms part of land known as the New Bermondsey Site (Site). The Site was formerly known as the Surrey Canal Triangle site.

1.4 A location plan of the Site is attached at Appendix A. References to the ‘Site’ in this Statement of Reasons are references to the site as shown edged red on the location plan. The Order Land is shown shaded pink and blue on the Order Map attached at Appendix B. References to the ‘Scheme’ encompass the development as permitted under the Original Planning Permission (as defined below) and the S73 Permission (also defined below).

1.5 The Council considers that acquisition of the Order Land will facilitate the carrying out of development, redevelopment or improvement on the Order Land. In considering whether to exercise such power the Council has, as is required, had regard to Section 226(1A) of the 1990 Act and considers that the proposed redevelopment will promote and/or improve the economic, social and environmental well-being of the Council’s administrative area.

1.6 Re-development of the Site is a key regeneration priority for the Council and the purpose of the Order is to enable re-development of the Site in line with applicable planning policy and the Council’s corporate objectives. The purpose for which the Order Land is required is considered to meet the objectives of the London Plan (Consolidated with Alterations since 2011)², The Lewisham Core Strategy (Adopted June 2011) (Core Strategy) and the National Planning Policy Framework March 2012 (NPPF). Accordingly, it fits with the adopted/applicable planning framework for the area within which the Order Land and the Site are situated.

1.7 The Site is situated within New Cross ward in the north west corner of the Borough of Lewisham (Borough), adjacent to the London Borough of Southwark. The Core Strategy is

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¹ Order Map as per CPO when made.
² These comprise the Minor Alterations to the London Plan (October 2013) and Further Alterations to the London Plan (March 2015).
the Council's key planning policy document which sets out the vision, objectives, strategy and policies to manage development in the Borough over the period 2011 to 2026.

1.8 The Core Strategy allocates five sites in the north of the Borough as ‘strategic sites’. Four of the strategic sites are within the Deptford/New Cross area of the Borough. They include the Site under its former name of Surrey Canal Triangle.

1.9 Pursuant to Strategic Site Allocation 3 (SSA3) within the Core Strategy, the Site is allocated for comprehensive mixed use development. The supporting text to SSA3 describes the Site as presenting a degraded low quality environment which is overwhelmingly industrial in character and notes with industrial estates which are closed off and inward looking and a wider area which suffers from a good deal of severance caused by railway lines on wide viaducts creating an environment which discourages pedestrian access and connectivity.

1.10 The Core Strategy identifies the Site as an opportunity to transform the environment and infrastructure and create a new destination around the Borough's premier sporting destination, Millwall Football Stadium, which currently is not enhanced or improved by the surrounding industrial estates. It highlights that re-development of the Site, with the retention or replacement of existing employment uses on-site would contribute to the economy of Lewisham, increase its diversity and offer new types of jobs and training opportunities that are currently limited locally.

1.11 The Core Strategy in turn builds on the vision outlined in ‘Shaping our future’, Lewisham's Sustainable Community Strategy 2008 – 2020. This includes the ‘Dynamic and Prosperous’ theme, where people are part of vibrant communities and town centres, well connected to London and beyond. It details the Local Strategic Partnership's commitment to 'improving the quality and vitality of Lewisham's town centres and localities', and aspirations to 'support the growth and development of our town centres by working with commercial partners and developers', and to 'maximise the use of our town centres as places to engage the local community'.

1.12 'People, prosperity, place', Lewisham's Regeneration Strategy 2008-2020, sets out the Council's aspiration for a vibrant, dynamic Lewisham focussed around the themes of people - investing in the individuals and communities which are Lewisham’s greatest asset - prosperity - fostering the skills and economic opportunities for Lewisham to flourish and thrive - and place - developing high quality public spaces, sustainable buildings and protecting the areas which are sensitive to change. The strategy is also placed within the framework of the key national and regional policies which affect the Council’s work around regeneration of the Borough, including the London Plan.

1.13 Renewal Group Limited (Developer) proposes to develop the Site. Further details of how it intends to deliver the Scheme are contained in Section 6 of this Statement of Reasons.

1.14 In January 2011, the Developer submitted an outline planning application to the Council in respect of the re-development of the Site. On 30 March 2012, the Council granted outline planning permission under reference number DC/11/76357 (Outline Planning Permission) for the comprehensive, phased, mixed use development of the site for up to 240,000 square metres (GEA) of development comprising:

- Class A1/A2 (Shops and Financial and Professional Services) up to 3,000 square metres;
- Class A3/A4 (Cafes/Restaurants and Drinking Establishments) up to 3,000 square metres;
- Class A5 (Hot Food Takeaways) up to 300 square metres;
- Class B1 (Business) between 10,000 - 15,000 square metres;
• Class C1 (Hotels) up to 10,000 square metres;
• Class C3 (Dwelling Houses) between 150,000 - 190,000 square metres (up to 2,400 homes of different sizes and types);
• Class D1 (Non-residential Institutions) between 400 - 10,000 square metres;
• Class D2 (Leisure and Assembly) between 4,260 - 15,800 square metres involving the demolition of all existing buildings on the site with the exception of the Millwall FC Stadium (which is to be retained and its façade upgraded and/or re-clad), Plot Excelsior 2 – Guild House (which is to be retained and extended) and Plot Excelsior 5 – Rollins House (which is to be retained, but not altered or extended as part of the planning application).

1.15 The Outline Planning Permission also encompasses the demolition and replacement of the existing Millwall FC grounds-person’s store of approximately 140 square metres, re-profiling of site levels, alterations to Surrey Canal road, the re-alignment of the Bolina Road, new streets and other means of access and circulation, including pedestrian/cycle paths, carriageways and servicing areas, areas for parking for emergency services vehicles and outside broadcast units, external areas of land and soft landscaping and publicly accessible open space, car and coach parking areas and accesses to them, cycle storage and supporting infrastructure works and facilities including sub-stations, energy centre(s), District Heating Network (DNH) connections to and between each plot and the proposed energy centre and the adjoining South East London Combined Heat and Power (SELCHP) plant (to the extent to which they lie within the planning application Boundary) and an ENVAC waste storage and handling system (including DNH and ENVAC connections to plots south of Surrey Canal Road under the carriageway of Surrey Canal Road, as altered).

1.16 The Outline Planning Permission was subject to a Section 106 Agreement (Original S106 Agreement) entered into on the same date and securing a number of commitments and obligations. Details of the Original S106 Agreement are in Section 4 below.

1.17 In October 2013, the Developer submitted an application under Section 73 of the 1990 Act (reference number DC/13/85143) for minor material amendments to the Outline Planning Permission to vary conditions on the Outline Planning Permission to enable reconfiguration of buildings on plots known as Timber Wharf, Stockholm 1 and 2 and Senegal Way 1 and 2 and the redistribution of land uses between these plots. On 18 December 2015, the Council granted permission in respect of the S73 Application (S73 Permission). The S73 Permission is subject to a Section 106 Agreement entered into on the same date and applying (with appropriate modifications) the obligations in the Original Section 106 Agreement to the development comprised in the S73 Permission. References below to ‘S106 Agreement’ include the Original Section 106 Agreement and the Section 106 Agreement entered into in respect of the S73 Permission.

1.18 In February 2015 the Site was designated as one of the first of the Mayor of London’s Housing Zones. Housing Zones status has been awarded to areas identified as key opportunity sites, to maximise development, fast track homes and deliver much-needed infrastructure to boost development. As one of the first Housing Zones, the Scheme is recognised as a key development in London and it is one of the few regeneration projects that has the capacity to deliver homes for Londoners, faster. As a result of Housing Zone status, the Developer will secure £20 million of loan funding from the GLA/Treasury which will facilitate delivery of key infrastructure, including the new New Bermondsey Station, two new bus routes and improvements to existing walking and cycle routes. Delivery of these transport links will provide significant benefit for the 40,000 people already living within a 15 minute walk of the site and will also enable the Developer to start phase 1A and 2 at the same time, rather than consecutively, accelerating delivery of 532 new homes. A programme of regular monitoring meetings will be agreed between the GLA, the Developer and the Council to enable this accelerated delivery.
1.19 Layout plans of the development under the Outline Planning Permission and the S73 Permission are attached at Appendix C. The Developer has stated its intention to implement the S73 Permission rather than the Original Outline Consent.

1.20 In addition to securing the wider regeneration of a poor and deprived area of North Lewisham and contributing the regeneration of the wider area, the Scheme will deliver a number of key benefits including:

- facilitating the redevelopment of the Order Land to create a new, high quality mixed use neighbourhood in an allocated strategic site to provide a place to work, shop, be entertained and live;

- the delivery of a range of modern employment and business space including retail and leisure premises (including hotel), office accommodation, and space for creative/digital industries which will diversify the local economy and provide new employment opportunities;

- the delivery of new housing in a highly publically accessible and sustainable location;

- the creation of a new transport interchange including the provision of a new station on the East London Line and two new bus routes;

- improving the physical environment and connectivity between the site and neighbouring areas through the creation of new cycling and pedestrian routes, enhancement of metropolitan open land and parkland (Bridge House Meadows), creation of new public squares and improvements to existing pedestrian access routes resulting in a new and improved setting for Millwall Football Club and local residents;

- the delivery of a modern, state-of-the-art regional sports complex which will provide specialist training facilities for local residents and athletes across the south-east of England and provide a new location for Millwall Community Scheme;

- the provision of new community facilities including GP facilities, medical centre, a new faith and community centre and a new home for the Council’s multi-faith and multi-cultural resources centre.

Further details of these key outputs are discussed elsewhere in this Statement of Reasons.

1.21 The Scheme is intended to be implemented in seven phases numbered 1A, 1B, 2, 3, 4, 5 and 5A. A plan identifying the Phases is attached at Appendix D.

1.22 The Developer has been assembling the Site since 2004 and now owns or controls the majority of the land interests required for the Scheme, excluding highways plots and land currently vested in the Council. In summary, there are a total of 96 separate titles within the Site. The Developer has completed the purchase of 66 titles, entered into sale agreements in respect of 6 titles and there remain 24 titles to be acquired (excluding highways plots) which are comprised within the Order Land. Of the 24 outstanding interests, 4 are minor reversionary interests with the Developer already holding a substantive long leasehold interest. A plan identifying the Developer’s ownership (Developer’s Land) is attached at Appendix E, together with a table setting out the interests acquired and the title numbers.3

1.23 The Order includes all outstanding land interests and new rights necessary to facilitate the carrying out of the Scheme. The Council owns the freehold interest in the land identified on the Order Map as Plots [].

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3 To be included and reflect position when Order made.
1.24 The Council has entered into a conditional land sale agreement with the Developer, under which the Council agreed to sell and the Developer agreed to buy the Council’s freehold interests in Plots [ ], excluding the land upon which the Millwall FC Stadium sits.

1.25 The Order includes interests in land where the Council owns the freehold interest.

1.26 On 7 March 2012, the Council resolved in principle to use its compulsory purchase powers under section 226(1)(a) of the 1990 Act to facilitate re-development of the Site. The resolution was subject to a number of pre-conditions, all of which are considered to have been satisfied as discussed elsewhere in this Statement of Reasons. The resolution also delegated authority to relevant Council Officers to negotiate and enter into an Indemnity Agreement with the Developer. That agreement was duly completed on 20 December 2013.

1.27 Bolina Road is no longer a through road. It provides access to the industrial units at Bolina Road and the Enterprise Industrial Estate, both of which will be replaced by the new development. As part of the scheme the road will be integrated with the urban realm surrounding the new buildings. As the existing road is maintained at the public expense, the local highway authority will not permit certain surface treatments on account of the cost of maintenance falling on the public purse. Whilst not essential to enable the scheme to be carried out, stopping up the road and transferring the land to Renewal will allow Renewal to upgrade the road surface to create a consistent urban realm, manage and maintain the road. Network Rail may need to be granted a right of way over the road to access the arch and their land on the north side of the viaduct.

1.28 It is proposed that a stopping up order in respect of Bolina Road will be sought under Highways Act powers. It is anticipated that any other requirements for road closures will be dealt with through appropriate Orders under the Road Traffic Regulation Act 1984.

1.29 The Order Land is required for the Council to achieve its regeneration objectives for the area within a realistic timescale. Although reasonable efforts have been made, and will continue to be made, to acquire the necessary land and rights by agreement, it is clear that the Order is required to ensure there is sufficient certainty that the Scheme can come forward within a reasonable timescale. Compulsory purchase will enable the re-development to take place in a timely fashion in order to derive the wider public benefits that the Scheme will secure and also provide certainty for the planning of the Scheme and realisation of the policy objectives.

1.30 The Developer, with the Council’s assistance continues to seek to acquire the outstanding interests by agreement and details of negotiations are contained within Section 8 of this Statement of Reasons. Discussions will continue with landowners of relevant interests who are willing to sell by agreement at market value in accordance with the compensation code, with a view to limiting the number of interests which need to be acquired compulsorily. The approach adopted by the Council is in accordance with Government’s ‘Guidance on Compulsory purchase process and The Crichel Down Rules for the disposal of surplus land acquired by, or under the threat of, compulsion’ issued by the Department for Communities and Local Government in October 2015 (CPO Guidance).

1.31 This Statement of Reasons has been prepared in accordance with the advice set out in Section 1 of Tier 2 of the CPO Guidance and has regard to the other requirements of the CPO Guidance. The Statement of Reasons sets out the Council’s reasons for making the Order. It provides a description of the Order Land, outlines the Council’s purpose in seeking to acquire it and the case for compulsory purchase in the context of national and local policy. It is intended to be as comprehensive as possible so as to form the basis of the Council’s Statement of Case which is required to be served under Rule 7 of the Compulsory Purchase (Inquiries Procedure) Rules 2007.

1.32 The Council recognises that a compulsory purchase order can only be made if there is a compelling case in the public interest. The Council considers that a compelling case in the public interest exists in this case.
2. **THE ORDER LAND**

2.1 The Order Land totals \[ \ldots \] hectares and comprises all interests in the Site (not otherwise owned by the Developer or the Council) required in order to carry out the Scheme. Table 1 to the Order details the address, title number and registered proprietor of each interest within the Scheme yet to be acquired. Currently [24] interests (excluding highways plots) remain to be acquired and these are identified in the Schedule which accompanies the Order Map at Appendix B of this Statement of Reasons. The Developer continues, with the assistance of the Council, to seek to acquire the remaining interests by agreement and a number of other interests are at agreed sale stage.

2.2 The Site of which the Order Land forms part is situated in the Deptford and New Cross area in the north of the Borough and close to the boundary with the London Borough of Southwark. The Site as a whole presents as a degraded, low quality environment, predominantly industrial in character with industrial estates which are closed off and inward looking. The estates were established in the 1970s/1980s as part of a previous package of economic funding. The Site is set within a wider area which suffers from a significant degree of severance caused by railway lines on wide viaducts creating an environment which discourages pedestrian access and connectivity.

2.3 Current pedestrian access into and out of the Site is limited by a number of constraints including the railway lines, poor pedestrian crossing facilities and no direct access to South Bermondsey Station. Bridgehouse Meadows is a relatively large public open space to the south-east of the Site. This open space is proposed to be enhanced to meet the needs of the Scheme.

2.4 The Millwall Football Club stadium is located in the heart of the Site. The Core Strategy highlights the potential of the football club to form the core of a new location in an area largely devoid of identifiable features such as local shops, community and leisure facilities.

2.5 The Site is characterised as being within Flood Zone 3a of the River Thames floodplain, although in an area shown to be benefiting from existing flood defences to a 1 in 1,000 year standard. Mitigation measures are to be provided as part of the Scheme to address the remote possibility of flood defences failing.

2.6 In terms of transport links, South Bermondsey Station which provides a rail service to London Bridge running approximately every 15 minutes is located immediately adjacent to the Site, although access is currently indirect via Ilderton Road. Ilderton Road also serves as the location for the only local bus route, the number P12 which runs from Brockley Rise to Surrey Quays approximately every 10 minutes. Phase 2 of the East London Line Extension included extending the line from Surrey Quays to Clapham Junction via Peckham. This route opened in December 2012 and trains run approximately every 9 minutes. As part of the works completed in 2012, the foundations for the platform and new station at Surrey Canal Road were put in place. The new station is to be delivered with a financial contribution secured under the terms of the S106 Agreement. The Developer and TfL have agreed that it will be called New Bermondsey Station.

2.7 The Site is large with a total area of 10.74 hectares. For its size, it is comparatively under-utilised. It currently accommodates 400,000 square metres of floor space within a series of existing buildings including:

- Land to the south east of Surrey Canal Road – Excelsior Works;
- Land to the south west of the Surrey Canal Road – including Rollins Street;
- Land to the north of Surrey Canal Road – The Orion Industrial Estate;

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4 To be completed once Order finalised.
• Land to the South of Stockholm Road;
• Land to the north and west of Bolina Road – including Enterprise Industrial Estate;
• The Lions Centre (Millwall Community Scheme);
• Millwall Football Stadium and surrounding land to the south east and south west.

2.8 Due to the low lying nature of the Site and the fact that the existing buildings are generally low rise, the existing railway lines which run along the north eastern boundaries currently dominate the Site.

2.9 There are a number of waste transfer sites amongst and beyond the railway embankments adjoining the Site. To the north east of the Site lies the South East London Combined Heat and Power facility (SELCHP).

2.10 All buildings within the Order Land are used for light industrial purposes, save for Bridge House within Excelsior Works which is classified as a house in multiple occupation. The light industrial units within the Order Land are presently let to occupational tenants. The Order Land also encompasses the land round the Millwall FC Stadium which is leased to The Millwall Football and Athletic Company (1985) PLC and the land known as the Lion’s Centre, currently leased to the Millwall Community Trust.

2.11 New rights are also required to fulfil certain requirements of the Section 106 Agreement. These affect land owned by Network Rail, London Underground Limited and MFC. The rights include in summary:

2.11.1 Rights to construct, use (in common with others) and maintain a pedestrian and cycle access route from the north west corner of the Site to South Bermondsey Railway Station.

2.11.2 Rights to undertake railway arch and underpass works in relation to railway arches and underpasses that surround the Site (as illustrated on the Order Map) at South Bermondsey Station, Zampa Road, Stockholm Road, Rollins Street, the route to Surrey Quays and Bolina Road.

2.11.3 Rights to carry out works to landscape and thereafter maintain railway embankments adjoining the Site and to carry out habitat creation works on the said land.

2.11.4 Rights to install and maintain conducting media under the railway arch between the South East London Combined Heat and Power facility and the Site to the extent it is required for the installation of the proposed district heating network that is to provide heat and power to the Scheme.

2.11.5 Rights to carrying out and complete works to replace and improve the existing façade of the MFC Stadium, as required by the Section 106 Agreement relating to the outline planning permission (and as to be applied to the Section 73 consent).

2.12 Various rights and covenants also affect the Order Land as identified in Table 2 of the Order Schedule.

2.13 In respect of those Plots where the Council owns the freehold interest, the Schedule includes the acquisition of the leasehold interests and existing rights of statutory undertakers that subsist in such Plots. The Council has had regard to the CPO Guidance in respect of using compulsory purchase powers in such circumstances.

2.14 It is intended that unless acquired by private treaty negotiations, all land including certain existing rights over land and new rights within the Order Land will be acquired by the Council pursuant to the Order. Where landowners have rights affected by the Order, where
appropriate, the Council will consider the grant of equivalent or replacement rights where consistent with the Scheme.

2.15 On [ ] 2016, the Council’s Mayor and Cabinet resolved to use its compulsory purchase powers under s226(1)(a) of the 1990 Act and Section 13 of the 1976 Act to acquire the land, including existing rights over land, and new rights comprised in the Order Land to facilitate the carrying out of the Scheme. Both prior to and subsequent to the Council’s resolution, the Developer with the Council’s assistance has used and continues to use all reasonable efforts to acquire the outstanding interests by negotiation. A summary of the position on negotiations is included in Section 8 below. However, it has become apparent to the Council that it will not be possible to acquire all of the interests required for the Scheme by agreement. The use of compulsory purchase powers is therefore required in order to acquire all the land and rights needed for the Scheme. Efforts to acquire interests by agreement will continue notwithstanding the making of the Order.

2.16 The Scheme is a comprehensive scheme to be delivered across the whole Site and it is considered important that all interests in the Site are secured, including those in the Council’s own land, at the same time as the rest of the Order Land to ensure comprehensive and coherent redevelopment of the Site. Thus, there is a need for the Order to be confirmed in its entirety.
3. **POWERS**

3.1 The Council seeks to purchase compulsorily the Order Land for the purpose of the development, redevelopment or improvement of the land pursuant to Section 226(1)(a) of the 1990 Act. The Council also seeks to acquire new rights pursuant to Section 13 of the 1976 Act.

3.2 Section 226(1)(a) of the 1990 Act provides the power to acquire compulsorily land where an acquiring authority thinks the acquisition will facilitate the carrying out of development, redevelopment or improvement on or in relation to the Order Land. Such power may only be used where the acquiring authority thinks the development, redevelopment or improvement is likely to contribute to the achievement of the promotion or improvement of the economic, social or environmental well-being of the authority's administrative area (see Section 226(1A) of the 1990 Act).

3.3 The CPO Guidance recognises the use of the Section 226 power as a positive tool to help acquiring authorities to assemble land where this is necessary to implement proposals in their Local Plan or where string planning justification for the use of the power exists and provides guidance to acquiring authorities on the use of the Section 226 power and compulsory purchase powers generally. The Council has had regard to the CPO Guidance in making the Order.

3.4 For the reasons set out in this Statement of Reasons, the Council considers that the acquisition of the Order Land will facilitate the development, redevelopment and improvement of the Order Land and that the redevelopment will achieve an improvement in the environmental, social and economic well-being of the area.

3.5 The Order further seeks the acquisition of new rights pursuant to powers in Section 13 of the 1976 Act, in order to fulfil certain requirements of the Section 106 Agreement. These affect land owned by Network Rail, London Underground Limited and MFC. The rights include in summary:

3.5.1 Rights to construct, use (in common with others) and maintain a pedestrian and cycle access route from the north west corner of the Site to South Bermondsey Railway Station.

3.5.2 Rights to undertake railway arch and underpass works in relation to railway arches and underpasses that surround the Site (as illustrated on the Order Map) at South Bermondsey Station, Zampa Road, Stockholm Road, Rollins Street, the route to Surrey Quays and Bolina Road.

3.5.3 Rights to carry out works to landscape and thereafter maintain railway embankments adjoining the Site and to carry out habitat creation works on the said land.

3.5.4 Rights to install and maintain conducting media under the railway arch between the South East London Combined Heat and Power facility and the Site to the extent it is required for the installation of the proposed district heating network that is to provide heat and power to the Scheme.

3.5.5 Rights to carrying out and complete works to replace and improve the existing façade of the MFC Stadium, as required by the Section 106 Agreement relating to the outline planning permission (and as to be applied to the Section 73 consent).

3.6 The Council considers that acquisition of the Order Land is necessary in order to achieve the purpose of development, redevelopment and improvement so as to secure the wider regeneration of a poor and deprived area of North Lewisham, so contributing to the regeneration of the wider area. The Scheme will deliver a number of key benefits including:

- 2,000 new jobs;
• 2,400 new homes;
• A new station on the East London Line;
• 2 new bus routes linking the Site to Lewisham and Central London;
• Energize, a £40m state-of-the-art regional sports complex;
• New cycling and pedestrian routes linking the Site to the wider area;
• A new faith and community centre;
• A new multi-faith and multicultural resources centre;
• A 150 bed hotel and conferencing centre;
• New GP facilities with other health services, which may include specialisms in sports injury;
• The refurbishment of the park at Bridgehouse Meadows;
• A creative/digital quarter;
• A new and improved setting for The Den and Millwall Football Club and allowing for an increase in capacity of the Stadium from 20,000 to 26,500;
• A new home for the Millwall Community Scheme;
• 5 new public squares and private gardens for residents;
• Improvements to 14 surrounding railway arches and underpasses creating links into the surrounding areas;
• Surrounding junction improvements;
• Enhanced security and safety across the Site and surrounding areas.

3.7 It is considered that the Scheme will contribute to the promotion or improvement of economic, social and environmental well-being of the area, including in the following ways, taking each in turn:

3.7.1 In terms of economic well-being, the Scheme will deliver:
• The regeneration of a poor and deprived area;
• 1,470 permanent jobs and 700 full-time construction jobs (there are currently 366 jobs on the Site);
• A new Overground station on the East London Line;
• Two new bus routes for the area;
• A new creative/digital quarter;
• A network of new cycle and pedestrian routes linking the site to the surrounding areas;
• A new hotel and enhanced conferencing facilities;
• Space for new business start-ups;

• An overall package of Section 106 contributions by the developer totalling £40 million.

3.7.2 In terms of social well-being, a key part of the Scheme is ‘Energize’, the largest indoor sports complex for community use to be built in London since Crystal Palace in 1964. Energize will promote healthy living and increase the local community’s wellbeing and self-esteem. Alongside sports facilities, Energize will provide a series of outreach programmes from clubs and tenants from the sports centre to encourage participation in sport and provide education on nutrition, fitness and a healthy lifestyle.

3.7.3 In 2014, the OnSide Charity revealed plans to expand their network of Youth Zones to New Bermondsey. The Surrey Canal Sports Foundation (Charity number 1141811) (SCSF) formed a partnership with Onside to incorporate a Youth Zone within the fabric of Energize. The Youth Zone within Energize will have its own dedicated space attracting approximately 3,000 visits by young people every week.

3.7.4 Discussions are currently ongoing between the Greenhouse Sports Charity and the SCSF about a long-term presence within Energize. Greenhouse Sports aim to develop the social, thinking, emotional and physical skills of young people in London’s inner-city communities. During 2014-15 Greenhouse’s coaches worked with almost 8,000 young people across London. Both OnSide and Greenhouse would contribute towards the capital cost of Energize in exchange for access to the facilities.

3.7.5 Lewisham Thunder basketball club, a future occupier, is already on the Site in temporary facilities and is delivering a Hoops4Health programme in 16 local schools. Fusion Table Tennis club are also on the Site in temporary facilities. These facilities attract c. 2,800 people per month. Further social well-being benefits include:

• Enhanced permeability through new streets, paths and cycle routes;

• A new home for the Lewisham’s multi-faith and multicultural resources centre;

• The creation of new faith and community space, which will act as a local meeting place, exhibition space and conduit for social cohesion;

• New health facilities;

• New crèche facilities;

• New public meeting places;

• The relocation of the Lion’s Centre to enhanced facilities in the new sports facility building;

• A safer and more secure environment achieved through increased permeability, footfall, lighting and CCTV which will lead to a reduction in crime.

3.7.6 The SCSF is already working to raise the money to build and run the sports complex and to date has £18.5 million pledged, and a further £5 million request for funds being considered, bring total potential pledges to £23.5 million. The SCSF has been established to ensure that the facilities remain for community use at local authority rates. It will be responsible for encouraging the tenant clubs to run their programmes in the local authority and for increasing sports participation locally. The board members are:
3.7.7 In terms of environmental wellbeing, in addition to the regeneration of an area currently presenting a degraded low quality environment with an environment which discourages pedestrian access and connectivity, the Scheme will deliver the following benefits:

- A refurbished park at Bridgehouse Meadows;
- 5 new public squares;
- High quality new public realm at ground level and high quality private realm at the podium level;
- Extensive roof planting providing new wildlife habitats;
- A connection to SELCHP for heat and power;
- ENVAC underground waste system;
- A new setting for Millwall Football Club;
- A safer and more secure environment achieved through increased permeability, footfall, lighting and CCTV, which will lead to a reduction in crime;
- A new Overground station on the East London Line;
- Two new bus routes for the area;
- Improvements to several road junctions;
- A new network of cycle and pedestrian routes linking the site to the surrounding areas.

3.8 The Regeneration and Equalities Statement (Section 12 and Appendix K) further demonstrates the economic, social and environmental well-being outputs and regeneration benefits of the Scheme.

3.9 The purpose of the Order and the case for compulsory acquisition is addressed in Section 9 of this Statement of Reasons. Details of how the Council has had regard to the European Convention on Human Rights are set out in Section 11.
4. **PLANNING FRAMEWORK AND PLANNING POSITION IN RELATION TO THE SCHEME**

4.1 The re-development of the Order Land will deliver comprehensive mixed use development in accordance with SSA 3 of the Core Strategy and will also facilitate sustainable development in line with both national, regional and local policy objectives including the Core Strategy the London Plan, the NPPF, Lewisham's Regeneration Strategy: People, Prosperity, Place’, and Lewisham's Sustainable Community Strategy 2008 – 2020: ‘Shaping our future’.

4.2 A mix of national, regional and local planning policy objectives have informed the planning process in respect of the Scheme. Relevant planning policies are listed in Appendix F.

4.3 The Development Plan for the area including the Site comprises the London Plan, the Core Strategy, the Lewisham Site Allocations Local Plan June 2013, and the Lewisham Development Management Local Plan November 2014.

4.4 In addition to the statutory development plan, various other documents form part of the overall ‘policy framework’ for the area and are relevant to decision-taking in a planning context. These include, amongst other things, Government Guidance, draft plans and supplementary planning documents.

4.5 The NPPF contains the Government’s guidance for local planning authorities in relation to plan-making and decision-taking.

4.6 The NPPF states that there is a presumption in favour of sustainable development. Local planning authorities should approach decision-taking in a positive way to foster the delivery of sustainable development and ‘decision-takers at every level should seek to approve applications for sustainable development’ (paragraph 187).

4.7 In order to achieve sustainable development, economic, social and environmental gains should be sought jointly and simultaneously through the planning system. It is confirmed the planning system should play an active role in guiding development to sustainable solutions (paragraph 8).

4.8 Paragraph 49 of the NPPF specifically states that ‘housing applications should be considered in the context of the presumption in favour of sustainable development’.

4.9 The Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth. Planning should operate to encourage and not act as an impediment to sustainable growth. Therefore, significant weight should be placed on the need to support economic growth through the planning system (paragraph 19).

4.10 The Government attaches great importance to the design of the built environment. Good design is a key aspect of sustainable development. It is indivisible from good planning and should contribute positively to making places better for people (paragraph 56). It is important to plan positively for the achievement of high quality and inclusive design for all development, including individual buildings, public and private spaces and wider area development schemes (paragraph 57).

4.11 In addition to the Development Plan, various Supplementary Planning Documents (SPD) are relevant including the Mayor’s Housing Supplementary Planning Guidance on Housing and the Council’s Residential Development Standards (updated version 2012)

**Regional policy**

4.12 The London Plan provides the strategic planning policy context for all London Boroughs and in turn provides the regional contextual policy background for the Borough, and a framework for local planning policy. It sets out an integrated social, economic and environmental, transport and social framework for the development of London to 2036. It brings together the geographic and locational aspects of the Mayor’s strategies, including those dealing with Transport, economic development, housing, culture and a range of social issues such as
children and young people. Health inequalities and food. The London Plan seeks to promote
development in the most suitable locations with a preference on the delivery of previously
developed sites, such as the Site. It also supports the aspirations of reducing reliance on the
private car and promoting development in sustainable locations.

4.13 The Site falls within the South East London Sub-Region, whereby policy seeks to encourage
new development that underpins the sub-region’s dynamism and potential, and delivers the
priority for delivering regeneration and transport improvements and links from the capital and
the Thames Gateway. The London Plan encourages the Borough to accommodate
substantial growth for London’s economy and population, whilst optimising the development
of Opportunity Areas and ensuring that housing provision is supported by social and
community infrastructure.

4.14 Key London Plan policies relevant to the regeneration of the Site are:

- Policy 1.1 Delivering the strategic vision and objectives for London;
- Policy 2.13 Opportunity Areas and Intensification Areas;
- Policy 2.14 Areas for regeneration;
- Policy 3.5 Quality and design of housing developments;
- Policy 3.7 Large residential developments;
- Policy 3.19 Sports facilities;
- Policy 4.1 Developing London’s economy;
- Policy 4.6 Support for and enhancement of arts, culture, sport and entertainment
  provision;
- Policy 5.10 Urban greening;
- Policy 6.13 Parking;
- Policy 7.1 Lifetime neighbourhoods;
- Policy 7.2 An inclusive environment;
- Policy 7.4 Local character;
- Policy 7.5 Public realm;
- Policy 7.6 Architecture;
- Policy 7.7 Location and design of tall and large buildings.

4.15 Map 2.4 within the London Plan identifies a series of Opportunity and Intensification Areas
throughout the Greater London area. The Lewisham, Catford and New Cross area is
identified as such an Opportunity Area (Table A1.1, Area 20) with the policy seeking to
ensure that developments:

- optimise residential and non-residential output and densities, provide necessary
  social and other infrastructure to sustain growth, and, where appropriate, contain
  a mix of uses;
• contribute towards meeting (or where appropriate, exceeding) the minimum guidelines for housing and/or indicative estimates for employment capacity, tested as appropriate through opportunity area planning frameworks and/or local development frameworks;

• realise scope for intensification associated with existing or proposed improvements in public transport accessibility, such as Crossrail, making better use of existing infrastructure and promote inclusive access including cycling and walking;

• support wider regeneration (including in particular improvements to environmental quality) and integrate development proposals to the surrounding areas especially areas.

4.16 Map 2.5 within the London Plan identifies a number of Regeneration Areas where Boroughs should, inter alia, identify areas for regeneration and set out policies that bring together regeneration, development and transport proposals with improvements in learning and skills, health, safety, access, employment, environment and housing in locally based plans, strategies and policies.

4.17 Policy 3.3 in the London Plan recognises the requirement for an increase in the supply of homes in London to meet need through provision of at least an annual average of 42,000 net additional homes across London. Table 3.1 identifies a minimum target for Lewisham of 1,385 new homes per annum throughout the period from 2015-2025. Policy 3.3 states Boroughs should seek to achieve and exceed their average housing target.

4.18 Policy 3.4 seeks to optimise housing output for different types of location within the relevant density range taking into account local context and character, design principles and transport capacity.

4.19 Chapter 7 seeks to promote high quality design that inter alia, respects local context; is sustainable in terms of its design and construction; has the highest standards of accessible and inclusive design and addresses security issues.

4.20 Policy 7.1 states that development should be designed so that layout, tenure and mix of uses interfaces with surrounding land and transport proposals to improve access to social and community infrastructure and other facilities/amenities as well as public transport. Design should also contribute to people’s sense of place, safety and security and new building design and the spaces it creates should reinforce/enhance character, legibility, permeability and accessibility of the neighbourhood.

Core Strategy

4.21 The Core Strategy outlines a number of Drivers of Change, which set out the most significant issues expected to impact the Borough up to 2026 including:

Housing provision

The need to ensure provision of affordable housing is reflected through increasing house prices and low household incomes when compared to the London average. The opportunity to provide new housing in a highly developed borough is limited, so reviewing opportunities to better utilise underused employment areas and town centres as housing locations is necessary. This can protect established residential neighbourhoods, particularly conservation areas. The need to provide sustainably designed new housing and ensure existing homes improve energy efficiency is crucial to address climate change issues and improve living conditions.

Growing the Local Economy
Growing the relatively small Borough economy is a priority of the Council and is essential to the creation of a sustainable community. A key priority is the need to provide and strengthen local employment opportunities and enhance employment prospects by improving training opportunities, and accessibility to jobs within and beyond the sub-region. To contribute to economic growth and address deprivation issues, the Council will need to facilitate the strong growth in the number of small businesses, support creative industries, focus on the economic potential of town centres, local shopping areas and small parades (including street and farmers’ markets), and better use of underused employment areas. Identified growth areas include a range of diverse business services, and the creative and food industries.

Building a sustainable community

The benefits of new development need to be maximised for all in the community and will be central to addressing and reducing issues related to deprivation in order to improve education, employment and training opportunities, and reduce health inequalities. New development can contribute to both the provision and enhancement of existing services and facilities, where demand for them arises from the new populations. There is also a role to play in creating a sense of place and community through the high quality design of buildings and spaces that are safe and contribute to a healthy environment.

4.22 The Spatial Strategy within the Core Strategy identifies Deptford and New Cross/New Cross Gate as Regeneration and Growth Areas. Spatial Policy 2 provides that the Regeneration and Growth Areas will provide key regeneration and development opportunities. It identifies five strategic sites (four in Deptford/New Cross including the Site) which are to act as a catalyst for regeneration of the area. The Deptford, Deptford Creekside, New Cross/New Cross Gate area is to accommodate 2,300 new homes by 2016 and a further 8,325 new homes by 2026. This is considered to be a prime location for delivering a substantial portion of the identified housing need and required employment floorspace within the Borough.

4.23 Strategic Site Allocation 3 (SSA3) in the Core Strategy identifies the Site for comprehensive mixed use development and sets out specific requirements for a comprehensive phased approach to re-development in line with an approved Masterplan that delivers the following priorities:

- a new ‘destination’ development that capitalises on the opportunities presented by Millwall Stadium and allows for the long term future of the football club including future requirements for stadium improvement and expansion; it should also seek to enhance the existing football and sports facilities, and make these accessible to the public and allow for the long term future of the Millwall Community Scheme;

- provides at least 20% of the built floorspace developed on the site (excluding the Millwall Stadium area) for a mix of business space (B1(c), B2, B8) as appropriate to the site and its wider context;

- creates a sustainable high density residential environment at a density commensurate with the existing public transport accessibility level (PTAL) of the site or the future PTAL achieved through investment in transport infrastructure and services;

- provides for a mix of dwelling types accommodating, subject to an acceptable site layout, scale and massing, up to 2,500 new homes (C3) with a proportion of on-site affordable housing;

- makes provision for the Surrey Canal Road Overground Station (to be known as New Bermondsey Station) which will be located to the south of Surrey Canal Road and a new pedestrian and cycle bridge adjacent to Phase 2 of the East London Line extension;
provides retail uses to serve local needs that do not adversely impact existing town centres (A1, A2);

provides for a mix of restaurant, food and drink uses to serve the site and immediate neighbourhood;

enhances Bridgehouse Meadows, and provides appropriate amenity open space within the development including children’s play space to provide health and recreational opportunities for new residents;

improves connectivity of the site and locality to the other strategic sites, the rest of the borough and adjoining sites within the London Borough of Southwark, through the provision of new pedestrian and cycling facilities and public transport services to increase permeability and accessibility;

ensures the design enables the continued functioning of the adjoining Surrey Canal Road Strategic Industrial Location, including the waste transfer and processing uses on Surrey Canal Road;

ensures appropriate noise mitigation against the surrounding railway viaducts;

take opportunities to use energy generated by SELCHP for district heating or other suitable sources of decentralised energy;

4.24 SSA 3 goes on to set out the urban design principles required to be key features of any Masterplan for the site.

4.25 Chapter 9 (paragraph 9.24) of the Core Strategy explains that the Core Strategy is intended to encourage landowners to bring forward land and buildings for development where appropriate. Accepting that there may be instances where landowners may be reluctant or unwilling to bring forward their land, it states that in such circumstances, the Council may choose to use its compulsory purchase powers to achieve the Core Strategy’s wider regeneration objectives.

The Council’s Regeneration Strategy: People, Prosperity, Place’

4.26 The Council’s Regeneration Strategy defines six priority outcomes to be achieved by 2020, covering the Strategic Partnership’s ambitions also outlined in the Sustainable Community Strategy, ‘Shaping our Future’. The aim is to build communities that are:

- Ambitious and achieving – where people are inspired and supported to fulfil their potential.
- Safer – where people feel safe and live free from crime, antisocial behaviour and abuse.
- Empowered and responsible – where people are actively involved in their local area and contribute to supportive communities.
- Clean, green and liveable – where people live in high quality housing and can care for and enjoy their environment.
- Healthy, active and enjoyable – where people can actively participate in maintaining and improving their health and well-being.
- Dynamic and prosperous – where people are part of vibrant communities and town centres, well connected to London and beyond.

The Council’s Asset Management Plan
4.27 The Council’s Asset Management Plan sets out the approach to using property effectively in order to achieve the Council’s objective of making Lewisham the best place in London to live work and learn. It acknowledges the Council’s assets have a key role to play in supporting the Borough’s regeneration aims.

4.28 The above documents should be read in conjunction with each other in order to provide the Site specific and broader context for the proposed redevelopment of the Site and the need for compulsory acquisition of the Order Land.

**Planning position in relation to the Site**

4.29 On 30 March 2012, the Council granted Outline Planning Permission for the comprehensive, phased, mixed use development of the site for up to 240,000 square metres (GEA) of development as more particularly described in Section 5 of this Statement of Reasons. The Outline Planning Permission was subject to prior completion of the S106 Agreement to regulate a number of aspects of the development and to deliver a number of commitments, again as set out in Section 5.

4.30 The Scheme was considered to comply with the applicable planning framework, although the amount of permitted business space does not meet the requirements of SSA3 in the Core Strategy. It was, however, considered when granting permission that the business space within the Scheme still represents a substantial amount of new accommodation. It includes a business centre (incubation space) and a creative industries hub and (together with other non-residential uses) provides much needed employment opportunities. The parameters established for permitted business space ensure viability and flexibility of use with appropriate floor to ceiling heights and delivery and goods handling arrangements and ensure that this use is capable of functioning in a way that minimises disturbance to occupiers of the permitted residential accommodation, in accordance with SSA3 in the Core Strategy.

4.31 On 18 December 2015, the Council granted the S73 Permission. The S73 Permission authorises revisions to the parameter plans (and associated changes to the Development Specification) approved under the Outline Planning Permission. The effect of the changes is to maintain the overall quantum of development, and within the specified limits on floorspace by use across the site as a whole, but to allow alteration to the configuration of the buildings within the Timber Wharf, Stockholm and Senegal Way plots which will enable much of the sports use to be accommodated in one building at Timber Wharf rather than distributed more widely around the site. This means that the sports provision can be delivered in one phase, running costs are more economical and a seated arena for 3000 spectators can be provided. The S73 Permission is subject to a Section 106 Agreement providing for the obligations in the Original Section 106 Agreement to apply to the development under the S73 Permission.

**Regeneration of the Wider Area**

4.32 The re-development of the Site should also be considered in the context of the broader regeneration programme for the Deptford/New Cross Area.

4.33 Four of the five Strategic Site Allocations (Convoys Wharf, Surrey Canal Triangle, Oxestalls Road and Plough Way) within the Core Strategy relate to sites in the Deptford/New Cross area and together these four sites are expected to deliver 60% of the Council’s housing target of 13,847 dwellings between 2015 and 2025. These sites are recognised as being of a scale and significance that make them central to the success of the Core Strategy and which will play a crucial role in place making by creating new places and enabling a transformation of the wider area.

4.34 The position in relation to other strategic sites within the Deptford/New Cross area is set out below. The majority of these sites are not hindered by land assembly issues.

**Convoys Wharf – (Strategic Site Allocation 2)**
4.35 At 16.6 hectares, Convoys Wharf is the single largest development site in the Borough. The site occupies approximately half of the Borough’s river frontage to the Thames. Strategic Site Allocation 2 identifies the site for mixed use development in line with an approved Masterplan.

4.36 A planning application for re-development of the site was called in by the Mayor of London for his own determination. On 10 March 2015, following completion of a Section 106 Agreement, the Mayor granted outline planning permission for the comprehensive redevelopment of the site to include:

- up to 3,500 new homes (at least 525 of which are to be affordable);
- shops, restaurants, cafes;
- a hotel;
- public open spaces;
- public transport improvements including a river bus service and new/diverted bus routes;
- 1,840 car parking spaces;
- renovation of the Olympia Building, a Grade II listed warehouse;
- three tall buildings (two at 38 storeys and one at 48 storeys).

Oxestalls Road (‘The Wharves’) – Strategic Site Allocation 4

4.37 The Oxestalls Road site extends to approximately 4.5 hectares. The site is in close proximity to the Pepys Estate and lies between Evelyn Street and the Thames river frontage, and between Deptford Park and Convoys Wharf. The Site is currently occupied by low quality commercial buildings, storage and open service yards, a scrap metal yard, a petrol filling station, a dwelling-house and a public house. It provides limited commercial opportunities and little in the way of amenity to local residents.

4.38 On 30 March 2012, the Council granted planning permission (part detailed/part outline) for the re-development of the Site to include:

- 905 homes;
- 16,393 square metres non-residential floorspace, including shops/offices/restaurants/cafes/drinking establishments/hot food take aways/non-residential institutions and assembly and leisure uses);
- commercial uses;
- an energy centre;
- improvements to public realm including a water body along the former route of the Grand Surrey Canal;
- improved transport connections.

4.39 The permission was subject to a Section 106 Agreement.

4.40 The planning permission has been implemented. Applications have been submitted and approved under Section 96A of the 1990 Act in respect of non-material amendments to the permission, along with applications to discharge certain pre-commencement conditions.
4.41 In May 2015 a part outline/part detailed planning application was submitted for a revised scheme for the comprehensive redevelopment of the site to include:

- 1,132 homes;
- 10,413 square metres non-residential floorspace, including shops/offices/restaurants/cafes/drinking establishments/hot food take aways/non-residential institutions and assembly and leisure uses);
- commercial uses;
- an energy centre;
- improvements to public realm including along the former route of the Grand Surrey Canal;
- improved transport connections.

4.42 On 29 October 2015, the Council’s SPC resolved to approve the application subject to completion of a Section 106 Agreement which remains under negotiation.

**Plough Way - (Strategic Site Allocation 5)**

4.43 The Plough Way site comprises three main areas:

- Cannon Wharf
- Marine Wharf East and West
- Sites on Yeoman Street and Croft Street

4.44 The composite site covers 8.22 hectares. It is located in the north-western corner of the Borough adjacent to the border with the London Borough of Southwark.

**Cannon Wharf**

4.45 Planning permission was granted (subject to a Section 106 Agreement) for development of this part of the Plough Way site on 30 March 2012. The scheme comprises:

- 679 new homes (including two tall buildings of 20 and 23 storeys);
- a purpose-built business centre;
- a children’s nursery;
- landscaping along the former route of the Surrey Canal.

4.46 Applications under Section 96A of the 1990 Act for non-material amendments to the permission have been submitted to the Council and approved. The development commenced on site in August 2013 and is anticipated to be complete in September 2018. All buildings except the Cannon Business Centre have been demolished and the site has been divided into two sections. The northern section has been separated from the southern section (which accommodates the Business Centre) to enable the Business Centre to continue to operate whilst construction is taking place. Phase 1 of the development, including the new Business Centre has been completed. Construction of further phases of the scheme are underway.

**Marine Wharf West**
4.47 Planning permission was granted for this part of the Plough Way site (subject to a Section 106 Agreement) on 20 September 2011. The scheme includes:

- 532 new homes including 78 units provided as extra care;
- space for shops and businesses (approximately 4,000 square metres);
- landscaping along the 30 metres wide former route of the Surrey Canal to provide a new public park and pedestrian and cycle route providing access from Oxestalls Road through to the Thames.

4.48 Applications for non-material amendments under Section 96A of the 1990 Act have been submitted to and approved by the Council. The first two phases including new homes, extra care homes and commercial premises is complete. Construction is underway on the subsequent phases, providing further homes. On 10 March 2015 planning permission was granted subject to conditions and a Section 106 Agreement for the erection of 34 residential units and 361 square metres of office floorspace (B1 Use Class) together with associated access, car parking, cycle parking and landscaping at Block K (Phase 7) of the development. The remainder of the development is anticipated to be complete by April 2016.

Marine Wharf East:

4.49 Planning permission was granted subject to conditions and a Section 106 Agreement in July 2014 for this part of the Plough Way site to demolish the existing office building on the site and provide 183 residential dwellings, together with flexible commercial floorspace (A1, A2, A3, B1 and D2 Use Classes). The permission has been implemented.

4.50 An application was submitted on 26 February 2015 for demolition of existing office building and redevelopment to provide 225 residential dwellings and 1,045 square metres of flexible commercial floorspace in buildings up to 10 storeys. Planning permission was granted on 13 November 2015, following completion of a Section 106 Agreement.
5. PROPOSALS FOR REDEVELOPMENT OF SITE, INCLUDING THE ORDER LAND

Outline Planning Permission

5.1 The Outline Planning Permission granted permission for the comprehensive, phased, mixed use development of the site for up to 240,000 square metres (GEA) of development comprising:

- Class A1/A2 (Shops and Financial and Professional Services) up to 3,000 square metres;
- Class A3/A4 (Cafes/Restaurants and Drinking Establishments) up to 3,000 square metres;
- Class A5 (Hot Food Takeaways) up to 300 square metres;
- Class B1 (Business) between 10,000 -15,000 square metres;
- Class C1 (Hotels) up to 10,000 square metres;
- Class C3 (Dwelling Houses) between 150,000 - 190,000 square metres (up to 2,400 homes of different sizes and types);
- Class D1 (Non-residential Institutions) between 400 - 10,000 square metres;
- Class D2 (Leisure and Assembly) between 4,260 - 15,800 square metres,

involving the demolition of all existing buildings on the site with the exception of the Millwall FC Stadium (which is to be retained and its façade upgraded and /or re-clad), Plot Excelsior 2 – Guild House (which is to be retained and extended) and Plot Excelsior 5 – Rollins House (which is to be retained, but not altered or extended as part of the planning application).

5.2 The Outline Planning Permission also encompasses the demolition and replacement of the existing Millwall FC grounds-person's store of approximately 140 square metres, re-profiling of site levels, alterations to Surrey Canal road, the re-alignment of the Bolina Road, new streets and other means of access and circulation, including pedestrian/cycle paths, carriageways and servicing areas, areas for parking for emergency services vehicles and outside broadcast units, external areas of land and soft landscaping and publicly accessible open space, car and coach parking areas and accesses to them, cycle storage and, supporting infrastructure works and facilities including sub-stations, energy centre(s), District Heating Network (DHN) connections to and between each plot and the proposed energy centre and the adjoining South East London Combined Heat and Power (SELCHP) plant (to the extent to which they lie within the planning application Boundary) and an ENVAC waste storage and handling system (including DNH and ENVAC connections to plots south of Surrey Canal Road under the carriageway of Surrey Canal Road, as altered.

5.3 The Original S106 Agreement imposes requirements relating to:

- The ability to increase the crowd capacity of The Den to increase from 20,148 to 26,500 should Millwall Football Club secure promotion to the Premier League and require a larger stadium;
- Re-cladding of the Millwall FC stadium;
- Provision of car parking spaces to be used by MFC both on event and non-event days;
- Relocation of Millwall FC memorial garden and grounds keeps store;
- Relocation of Millwall Community Scheme to a replacement facility;
- Re-provision of coach parking spaces to be used by MFC on event days;
- An increase sustainable accessibility to the Stadium by providing the proposed pedestrian link to South Bermondsey Station;
- Facilitation of the provision of the new Surrey Canal Road Overground station (to be known as New Bermondsey station);
- Improved connectivity with the surrounding area for pedestrians and cyclists;
- Provision of two new bus routes and a terminus;
- Delivery of new sports facilities, Energize;
- Delivery of a multi faith centre and community centre;
- Provision of not less than 12% affordable housing (by habitable room);
- Entering into of a CPO Indemnity Agreement with the Council;
- Contribution towards the provision of additional school places in the area;
- Provision of a creative industries hub;
- Installation of ENVAC waste system.

5.4 The business space within the Scheme represents a substantial amount of new accommodation. It includes a business centre (incubation space) and a creative industries hub and (together with other non-residential uses) providing much needed employment opportunities. The parameters established for permitted business space ensure viability and flexibility of use with appropriate floor to ceiling heights and delivery and goods handling arrangements and ensure that this use is capable of functioning in a way that minimises disturbance to occupiers of the permitted residential accommodation, in accordance with SSA 3 in the Core Strategy.

5.5 On 18 December 2015, the Council granted the S73 Permission. The S73 Permission is subject to a Section 106 Agreement that applies the obligations in the Original S106 Agreement to the S73 Permission. The Section 73 Permission authorises revisions to the parameter plans (and associated changes to the Development Specification) approved under the Outline Planning Permission. The changes relate only to Plots Timber Wharf 1 and 2, Stockholm 1 and 2 and Senegal Way 1 and 2. There are no changes to the description of development, and there is no proposed increase to the overall floorspace of the development. The effect of the changes is to maintain the overall quantum of development, and within the specified limits on floorspace by use across the site as a whole, but simply to alter the configuration of the buildings within the Timber Wharf, Stockholm and Senegal Way plots.

5.6 The changes made enable much of the sports use to be accommodated in one building at Timber Wharf rather than distributed more widely around the site. This means that the sports provision can be delivered in one Phase, running costs are more economical and a seated arena for 3000 spectators can be provided.

5.7 The floorspace within the Scheme is proposed to be provided as follows:

<table>
<thead>
<tr>
<th>A1/A2</th>
<th>Shops &amp; financial &amp;</th>
<th>3,000 square metres</th>
</tr>
</thead>
</table>

23
<table>
<thead>
<tr>
<th>Code</th>
<th>Building Type</th>
<th>Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>A3/A4</td>
<td>Cafes/restaurants and drinking establishments</td>
<td>3,000 square metres</td>
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<tr>
<td>A5</td>
<td>Hot food takeaways</td>
<td>300 square metres</td>
</tr>
<tr>
<td>B1</td>
<td>Business</td>
<td>10,000 – 15,000 square metres</td>
</tr>
<tr>
<td>C1</td>
<td>Hotel</td>
<td>10,000 square metres</td>
</tr>
<tr>
<td>C3</td>
<td>2,400 apartments</td>
<td>150,000-190,000 square metres</td>
</tr>
<tr>
<td>D1</td>
<td>Non-residential institutions</td>
<td>400 – 10,000 square metres</td>
</tr>
<tr>
<td>D2</td>
<td>Leisure and assembly</td>
<td>4,260 – 15,800 square metres</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total 240,000 square metres</td>
</tr>
</tbody>
</table>

5.8 It is envisaged that the redevelopment of the Site will take approximately eight years. The phasing of the Scheme is anticipated to generally be from south to north. The current indicative phasing sequence, accelerated by Housing Zone designation, is as follows:

<table>
<thead>
<tr>
<th>Phase</th>
<th>Buildings</th>
<th>Anticipated Commencement Date</th>
<th>Anticipated Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1A</td>
<td>Orion</td>
<td>Mid - 2016</td>
<td>Q1 2018/Q2 2018</td>
</tr>
<tr>
<td>Phase 1B</td>
<td>Excelsior 1-4</td>
<td>Q1 2018</td>
<td>Q4 2019/ Q1 2020</td>
</tr>
<tr>
<td>Phase 2</td>
<td>Timber Wharf 1 &amp; 2</td>
<td>Mid - 2016</td>
<td>Mid - 2018</td>
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<tr>
<td>Phase 3</td>
<td>Stockholm 1 &amp; 2</td>
<td>Q2 2018</td>
<td>Q2 2020</td>
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<td>Phase 4</td>
<td>Senegal 1 &amp; 2 plus Stadium</td>
<td>Q2 2019</td>
<td>Q4 2020</td>
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<td>Phase 5</td>
<td>Bolina North 1 &amp; 2 and Bolina West</td>
<td>Q2 2020</td>
<td>Q3 2022</td>
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<td>Phase 5A</td>
<td>Bolina East</td>
<td>Q3 2020</td>
<td>Q2 2022</td>
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5.9 When developed, the Site will be served by two railway stations, South Bermondsey and a new station at Surrey Canal Road (to be called New Bermondsey station) on the East London Overground line. These will form a transport interchange with the provision of two new bus routes. The main bus interchange will be adjacent to the new station. A network of cycling and pedestrian routes will be provided across the Site.

5.10 The scheme will provide around 2,400 new homes and 50,000 square metres of commercial space with the full range of Class A uses, business space, hotel space, non-residential institutions and assembly and leisure uses. The built development will consist of a series of podiums with residential towers above. The only residential floorspace to come down to ground floor level will be the homes on the southern boundary of the Site.

5.11 Public realm will be substantially improved with improvements to Bridgehouse Meadows, the provision of five new public squares and a 28 metre wide boulevard linking the two railway stations. Private amenity space will be provided at the podium level.

5.12 The Scheme includes major sports facilities, principally focused (under the S73 Permission) in one building and providing the largest sporting facilities constructed in London since Crystal Palace in the 1960s. Interim use sports facilities have been developed in an existing warehouse on site and are currently in use pending delivery of the permanent facility.
5.13 It is proposed that Bolina Road be stopped up and thereafter realigned and treated as an estate road and maintained as part of the new estate. There will be improvement works to several road junctions and twelve locations for bus stop off and on-street parking.

5.14 There will be 1,048 parking spaces on the scheme, all underground or under-croft. Of these 720 will be residential (0.3 per home unit), 318 spaces for non-residential parking which will include twenty-two spaces for a car pool. From these spaces, Millwall Football Club will be allocated 150 underground spaces on match days, 8 on days when conferences are being held, and 40 on a normal day.

5.15 Ten coach parking spaces for match days will be provided above ground to the west of the football stadium. Underground spaces will be provided for broadcasting vehicles when matches are being televised. Entrances to underground parking and service areas are identified on parameter plan ITL835-SK-002.

5.16 The seven Phases of the Scheme are as follows:

**Phase 1A Orion**

5.17 This Phase will consist of circa 6,000 square metres of faith space which will contain the new faith centre and community space including a new home for Lewisham’s multi-faith and multicultural resources centre; the Developer has secured a pre-let for the 6,000 square metres of D1 space. Above this will be two residential towers totalling 19,837 square metres of residential floor space equating to approximately 250 private apartments. One tower will be 10-12 storeys the other 17 – 21 storeys.

5.18 Appendix G identifies the land interests still to be acquired for this Phase. These are interests in Unit 11 of the Orion Estate and four individual minor interests that also need to be acquired. The interests are required as the premises to which the land interests relate are to be demolished to enable construction of the new faith centre, community space and residential units within this Phase.

5.19 In addition, it is proposed to acquire mines and minerals reserved in respect of land within this Phase which are likely to be encroached upon by the Scheme, as well as existing rights of statutory undertakers which will need to be interfered with as a result of the Scheme.

5.20 New rights are proposed to be acquired in respect of this Phase to enable the landscaping and habitat creation works to be carried out to railway embankments.

**Phase 1B (Excelsior 1-4)**

5.21 Phase 1B consists of six buildings housing circa 1700 square metres of bars, cafes, convenience stores and local retail as well as circa 5700 square metres of space for a creative quarter. It will also provide 19,108 square metres of residential floorspace, comprising approximately 271 apartments.

5.22 The Phase also includes major improvement works to the 7-acre public park, Bridgehouse Meadows, which lies immediately to the south of this Phase.

5.23 Appendix G identifies the land interests still to be acquired for this Phase. These comprise interests in units 10 11, 14, 15, 17, 18 and 19 of Excelsior Works, and Bridge House. These units are required as they fall within the footprint of the commercial and residential units to be built in this Phase. In addition, the land occupied by the units is required to deliver better access, permeability, new public realm, underground parking and a major new transport interchange connecting the new station at Surrey Canal Road to the London Overground.

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5 Note: Appendix G to be included and reflect position regarding remaining interests at time CPO made
5.24 In addition, it is proposed to acquire mines and minerals reserved in respect of land within this Phase which are likely to be encroached upon by the Scheme, as well as existing rights of statutory undertakers which will need to be interfered with as a result of the Scheme.

**Phase 2 (Timber Wharf 1 and 2)**

5.25 Phase 2 will house a 19700 square metre building containing 8560 square metres of sports space and 3230 square metres of commercial space contained within one building. The Developer has secured pre-lets for the building, to be called Energize. The complex will house four floors of sports facilities as follows:

- A multi-purpose 3000 seat arena that can be used for regional and national competitions in sports such as Basketball, Netball, Table Tennis, Amateur Boxing and Handball.
- An indoor 3G Football pitch that will be made available to Millwall Community Scheme (negotiations with MCS regarding surrender of the lease on their existing premises and relocation to the new facility are currently ongoing) and which will divide into 5-a-side pitches for hire to the local leisure market.
- A third arena will be sub divided into areas for Table Tennis, Gymnastics and a multi-use sports area.
- A fourth arena will house a 6-lane swimming pool and learner pool, a 150-station gym and a home for the London Amateur Boxing Association and two local boxing clubs.

5.26 Elsewhere in the sports building, a large climbing/bouldering area will be provided, together with changing and showering facilities, classrooms, offices, cafes and sports related retail space and 3020 square metres for Onside, a new ‘Youth Zone’

5.27 The rest of the buildings in Phase 2 will contain 20,497 square metres of residential floorspace from ground level up to 17 storeys at the highest point. This will accommodate approximately 271 apartments.

5.28 Save as referred to in paragraphs 5.28 and 5.29, all the land in this Phase is already owned by the Developer.

5.29 In addition it is proposed to acquire existing rights of statutory undertakers in respect of this Phase which will need to be interfered with as a result of the Scheme.

5.30 There is also a parcel of land along the western boundary of the Phase to be acquired from Network Rail and some unregistered land within this Phase which is of unknown ownership and is also included in the Order.

5.31 New rights are proposed to be acquired in respect of this Phase to enable the landscaping and habitat creation works to be carried out to railway embankments.

**Phase 3 (Stockholm 1 and 2)**

5.32 At ground floor level within Phase 3, there will be bars, cafes, restaurants and local retail facilities (circa 2035 sq. m), a 33 metre pool scuba diving centre (circa 5450 square metres) and office space (circa 1350 square metres). At upper floor level there will be 34,298 square metres of residential space accommodating approximately 486 apartments.

5.33 The building on the west side of this Phase has two towers, one of 23 storeys, one of 13 - 14 storeys. Smaller blocks of 3 – 4 storeys separate these towers, whilst the building on the east side has a residential tower rising to 23 storeys.

5.34 Save as referred to in paragraphs 5.35 and 5.36, all land interests in this Phase are already owned by the Developer.
5.35 There is a parcel of land along the western boundary of the Phase to be acquired from Network Rail. In addition it is proposed to acquire existing rights of statutory undertakers in respect of this Phase which will need to be interfered with as a result of the Scheme.

5.36 New rights are proposed to be acquired in respect of this Phase to enable the landscaping and habitat creation works to be carried out to railway embankments.

**Phase 4 (Senegal 1 and 2, plus Stadium)**

5.37 Phase 4 will provide 878 square metres of retail, cafes and bars, 2311 square metres of start-up business space, a 150-bed hotel and 12,221 square metres of residential floorspace. In total this phase includes approximately 172 apartments.

5.38 The hotel will rise to 11 – 12 storeys with one floor of cafes/bars, two floors for start-up businesses and two floors of residential accommodation. The hotel will have associated catering and conference facilities.

5.39 Apart from a small element of retail/cafes on the ground floor, the building on the east of this Phase will contain residential space and will rise to 9 and then 13 storeys.

5.40 **Appendix G** identifies the land interests still to be acquired for this Phase. The Millwall Football Club leasehold of the land surrounding (but not including) the Stadium is required in order to deliver all development in this Phase, including the residential, commercial and hotel floorspace as well as new public realm including Stadium Avenue, a major new boulevard running alongside the football club. New rights will also be required in order to carry out the works to improve the Stadium façade.

5.41 It is also proposed to acquire existing rights of statutory undertakers in respect of this Phase which will need to be interfered with as a result of the Scheme.

5.42 There is also a parcel of land along the western boundary of this Phase to be acquired from Network Rail and some unregistered land within this Phase which is of unknown ownership and is also included in the Order.

5.43 New rights are proposed to be acquired in respect of this Phase to enable the landscaping and habitat creation works to be carried out to railway embankments.

**Phase 5 (Bolina North 1 and 2 and Bolina West)**

5.44 Phase 5 will comprise predominantly residential floorspace in 3 blocks/4 towers (56,212 square metres), which will accommodate approximately 800 apartments. In addition, circa 400 square metres will be provided for crèche facilities with circa 1400 square metres for bars, restaurants, cafes and convenience shops. The building on the west side of this Phase consists of two towers of 21 and 13 storeys with a podium of 7 storeys joining them. The clusters in the north of the Phase rise to 18, 22 and 26 storeys.

5.45 **Appendix G** identifies the land interests still to be acquired for this Phase. These comprise Units [2, 3, 28, 31, 32, 35, 36, 38 and 39] Enterprise Industrial Estate. These properties are required to be demolished to make way for the residential and commercial space to be built in this Phase. In addition, the land occupied by the units is required to create new public realm and a new access to South Bermondsey station.

5.46 There is a parcel of land along the western boundary of this Phase to be acquired from Network Rail. In addition, it is proposed to acquire mines and minerals reserved in respect of land within this Phase which are likely to be encroached upon by the Scheme, as well as existing rights of statutory undertakers which will need to be interfered with as a result of the Scheme.

5.47 New rights are proposed to be acquired in respect of this Phase to enable the landscaping and habitat creation works to be carried out to railway embankments. New rights are also proposed to be acquired to provide the access route to South Bermondsey station.
Phase 5A (Bolina East)

5.48 This Phase will accommodate a health centre on the first 2 floors amounting to approximately 3663 square metres. It is envisaged that the health centre will not only include doctors and dentists, but will also administer care in the community and provide specialisms in sports medicine including diagnostics, day surgery and rehabilitation including physiotherapy.

5.49 The upper floors will accommodate 17,904 square metres of residential space providing approximately 253 apartments grouped in 3 towers of 10, 13 and 17 storeys.

5.50 Appendix G identifies the land interests still to be acquired for this Phase. The land currently occupied by Millwall Community Scheme is required in order to deliver all the development in this Phase.

5.51 It is also proposed to acquire existing rights of statutory undertakers in respect of this Phase which will need to be interfered with as a result of the Scheme.

5.52 New rights are proposed to be acquired in respect of this Phase to enable the landscaping and habitat creation works to be carried out to railway embankments.
6. **DELIVERY**

6.1 The Developer has been assembling the Site over the last ten years, to-date through private treaty using their own equity with c.13% funded by bank debt. The Developer now has a total of 79 tenancies across their ownership within the Site. There are 85 tenancies in total with 3 tenancies ‘at will’, 65 tenancies outside the Landlord and Tenant Act 1954, 2 two inside the 1954 Act, although both have expired and the tenants are holding over and 14 assured shorthold tenancies. The Developer is in a position to deliver vacant possession across its ownership within 6 months by exercising landlord break clauses which will be triggered by the on-going development schedule and, subject to acquiring the remainder of the land required for the Scheme and to reserved matters/discharge of conditions, is in a position to commence construction in early course.

6.2 Since the Outline Planning Permission was granted, the Developer has concentrated on completing the land assembly exercise and developing a detailed delivery strategy with major sustainable non-residential occupiers for Phases 1A, 1B and 2 and securing Housing Zone designation so enabling delivery of the Scheme to be accelerated.

6.3 On 19 April 2013, planning permission was granted under reference DC/13/82738 for provision of office accommodation and a presentation suite at Guild House within the Site. This facility has been constructed at a cost to the Developer of £1 million. The accommodation is now the Developer’s headquarters for the Scheme where work is in preparation for the preliminary works, launches, commencement on-Site and delivery of the first three Phases of the Scheme.

6.4 Temporary planning permission was granted on 12 September 2013 under reference DC/13/82738 to provide temporary church facilities. Hillsong Church has entered into a four year lease with the Developer and has moved into the temporary facilities. The Church intends to grow its congregation in the area and work with the Developer to deliver a new permanent faith facility within the Scheme. The temporary facilities are understood to attract 6,000 visits per month.

6.5 Similarly, temporary planning permission was granted on 19 September 2013 under reference DC/13/83681 to enable the Surrey Canal Sports Foundation (SCSF), the independent charitable trust which will oversee and run the new sports complex, to permit use of space on the Site and rent-free, to Lewisham Thunder Basketball Club and Fusion Table Tennis Club. The facilities provide changing rooms, meeting rooms, classrooms and offices as well as 500 seats for spectators. Both clubs are currently and successfully operating out of the temporary space. The temporary facilities on-site attract c. 2,800 people per month and the Clubs will become core occupiers in Phase 2 of the Scheme.

6.6 The SCSF date has £18.5 million pledged, and a further £5 million request for funds being considered, bringing total potential pledges to £23.5 million. This phase has been accelerated by the Housing Zone designation and the detailed design and planning for this phase will commence when the Housing Zone agreement is completed with the GLA.

6.7 In February 2015 the Scheme was one of the first schemes to be awarded Housing Zone status by the Mayor of London. Housing Zone status has been awarded to areas identified as key opportunity sites, to maximise development, fast track homes and deliver much needed infrastructure to boost development. As one of the first Housing Zones, the Scheme is recognised as a key development in London and it is one of the few regeneration projects that has the capacity to deliver homes for Londoners, faster. The loan funding secured as a result of Housing Zone status will be applied to key transport links which will not only provide significant benefit to those already living in the area but will also enable Phases 1A and 2 to proceed at the same time, rather than consecutively, therefore accelerating delivery of 532 new homes. A programme of regular monitoring meetings has been agreed between the GLA, the Developer and the Council to enable accelerated delivery.

6.8 The Developer has to-date incurred significant capital expenditure in acquiring land within the Site, as well as securing planning permission and undertaking preparation for
commencement of the Scheme. The process to appoint architects for Phase 1A has commenced and interviews of shortlisted practices took place at the end of April 2014. An appointment is expected once the Housing Zone agreement is completed with the GLA, with reserved matters applications being submitted in 2016.

6.9 Meetings have taken place with Transport for London (TfL) in relation to the design and delivery of the new station on the East London Line at Surrey Canal Road (to be known as New Bermondsey Overground station) which the Developer is contributing £10 million to under the terms of the S106 Agreement. A programme of regular meetings has now been agreed between TfL, the Developer and the Council to develop the design for the station and the programme for delivery. The appointment of contractors and a programme of works will be developed once the Housing Zone agreement has been completed with the GLA.

6.10 The Scheme is proposed to be delivered in Phases over a period of time. The Developer intends to retain the freehold interest in the Site and ensure control over the quality of build, delivery, public realm and place making. The Developer has advised that there is strong interest for the residential in Phase 1A from the large national house builders/developers and Private Rented developers and that it is in detailed discussions with several interested parties to deliver the 261 units of residential on this Phase, and the commercial space, as per the specification defined in the pre-let to Hillsong church. Under the terms of the Housing Zone designation by the GLA, Phases 1A and 2 will be delivered together to accelerate housing delivery.

No impediments to delivery

6.11 The Council has had regard to the requirements of the CPO Guidance generally and Section 1 or Tier 2 in particular with regard to Section 226 Orders. This includes whether the purpose of acquisition fits in with the adopted planning framework, the extent to which the purpose will contribute to the achievement of the stated well-being objectives, that the necessary resources, including funding, are likely to be available to achieve the Order’s purpose within a reasonable timescale, that the scheme is unlikely to be blocked by any other physical and legal impediments and whether the purposes for which the land is to be acquired might be achieved by other means, including the appropriateness of any alternative proposals put forward by the owners of the land others, or examining alternative locations for the purpose for which the land is being acquired.

6.12 The Developer has confirmed that Site investigations undertaken to date have not revealed any physical factors which would impede development.

6.13 There are no "special kinds of land" within the Order Land, such as common land, open space or allotments.

6.14 There is some operational land of statutory undertakers within the Order Land. All statutory undertakers have been identified so far as possible and discussions are progressing with them. There are electricity substations and also leasehold interests that encompass telecommunication apparatus and masts operated by electronic communications code operators. It is hoped that agreement will be reached in all cases.

6.15 There are rights of light in favour of neighbouring properties which will be interfered with by buildings constructed under the Scheme on land owned by the Developer. These have been addressed by the transfer of the Developer’s land to the Council for planning purposes and the grant of a lease back (with an option to purchase the freehold) by the Council to the Developer, thus engaging Section 237 of the 1990 Act which authorises interference with such rights where done in accordance with planning permission, subject to the payment of compensation.

6.16 In conjunction with the Council, the Developer has spent more than 10 years shaping and facilitating the comprehensive regeneration of the Site. During this time, the Developer has acquired by private treaty the majority of property interests required to assemble the Site and has secured the Outline Planning Permission and S73 Permission for the Scheme which will
deliver significant and comprehensive regeneration to this deprived area in London. In doing so, the Developer has incurred significant capital expenditure in acquisition, design, planning and consultants'/advisors' costs and has demonstrated a long term outlook and how serious it is about ensuring that the Scheme is brought forward.

6.17 In demonstrating its commitment, the Developer provided detailed information regarding deliverability of the Scheme, including as to viability and the funding strategy. The Developer appointed GL Hearn to bring the necessary detail together. The Council appointed PriceWaterhouseCoopers LLP (PWC) to provide financial and real estate due diligence and to review the GL Hearn report and additional information provided by the Developer/GL Hearn.

6.18 The work carried out by GL Hearn included detailed, bottom up, appraisals using industry standard software to assess the viability and deliverability of the Developer's intended delivery strategy using the current planning permission and market cost and revenue assumptions. PwC considered those cost and revenue inputs to be reasonable and supported by market benchmarks. A review of the outputs and funding assumptions made enabled PWC to conclude that the Developer's intended delivery strategy is appropriate and that the development is viable with a reasonable prospect of being delivered in line with Developer's proposals.

6.19 The Developer proposes to adopt a Master Developer Strategy (MDS) approach to advance the Scheme. Under the MDS, the Developer will dispose of individual development plots/phases (by way of development agreements with house builders) in an ordered manner over the development period. From this, the Developer will retain the residual land value from the sale and, wherever possible, retain the commercial interests in any sub-development to drive long-term revenue to the organisation. There is strong developer demand for residential development opportunities in this part of London, particularly of the size of development that each phase represents and the price point of the residential units.

6.20 Under the proposed strategy, the Developer will maintain responsibility for the delivery of the Community Sports Facility (Energize) in Phase 2, the new Overground station on the East London Line, the transport interchange to be provided in Phase 1B and the urban/public realm. In addition, the Developer will retain design control across the whole development and retain the commercial property in each phase.

6.21 The MDS approach will significantly reduce the funding requirements placed on the Developer. With an overall programme of just over 10 years, the majority of costs and risks for the development of individual plots/phases will be passed to sub-developers who are likely to be national house builders. Whilst the MDS approach will allow the Developer to offset much of the delivery risk, at the same time the Developer will retain overall control to ensure that a comprehensive scheme and quality shared places/public realm can be delivered. All are considered important public benefits that underpin the case for the Order and facilitate the much-needed housing and policy ambition for comprehensive redevelopment in the area.

6.22 PWC agree that a MDS approach is a recognised commercial approach for large, complex, multifaceted schemes. There are a number of examples of this delivery route being employed elsewhere, including the Olympic Park in Stratford. PWC also advise that the transfer of construction and residential market risk to a specialist sub-developer helps to dissipate the risk of delivery for large regeneration schemes.

6.23 The GL Hearn appraisal model uses current market assumptions about a range of variable factors which include the cost of finance and the attractiveness of the MDS approach and potential returns. Within their appraisal, GL Hearn set out their assumptions regarding the absorption rate of residential sales into the market place, build costs and sales receipts. DBK (a recognised project management, cost management and building consultancy with experience of large scale developments) provided the build cost advice, whilst sales values are based on GL Hearn’s own research.
6.24 PWC reviewed the modelling developed by GL Hearn and consider:

- Profit on costs for adopting an MDS approach for Renewal demonstrate acceptable returns to a commercial developer for taking the MD role and initiating a complex development such as the Scheme.

- The costs and returns to a sub-developer as modelled are in line with expectations and acceptable to commercial house builders for serviced plots with the benefit of outline planning consent and in light of the demand for additional housing in this area.

- The build cost estimates are supported by benchmarks (with savings against these costs potentially achievable by specialist house builders).

- Sales values (as at a June 2015 base) on a unit basis are considered reasonable.

6.25 The Council considers that the information available shows the Scheme is viable and is likely to be delivered on a reasonable time-scale. This conclusion is further augmented by a number of legal agreements which it is considered further support the likelihood of delivery of the Scheme:

- The Conditional Land Sale Agreement between the Council and Renewal dated 20th December 2013 relating to the Council’s freehold interest in the land around the Stadium and the Lions Centre. The sale is conditional upon Renewal entering into agreements with MFC and MCS or the interests being acquired by CPO if a private treaty agreement cannot be reached. The Agreement also includes provision for the transfer of the land back to the Council if the comprehensive scheme has not been commenced within 4 years of the transfer of the Council’s interest to Renewal. There is therefore an incentive on Renewal to commence the Scheme as soon as is reasonably practicable within the 4 year period.

- The Section 106 Agreements entered into in March 2012 and December 2015. The requirements of the Agreements are summarised elsewhere in this Report, but it is noteworthy that financial commitments early on in the Scheme incentivise the development of later phases if returns are to be realised. Given the upfront costs of the development, including major Section 106 contributions, the returns on the Scheme do not start to be realised until Phase 3 of the development which also supports the comprehensive development.

- The CPO Indemnity Agreement entered into on 20th December 2013 which provides for Renewal to fund the cost of the land acquisition process (including by CPO) and for the subsequent transfer to Renewal of the land to complete the land assembly.

- The GLA Housing Zone agreement entered into on [ ] which provides Renewal with £20 million of repayable loan funding. The Agreement binds Renewal to completing the scheme and accelerates delivery of the new station on the East London Line, two new bus routes and improvements to existing walking and cycling routes and enables development of the first two phases of development (1A and 2) to proceed ahead of schedule delivering 532 homes earlier.

6.26 In terms of funding for the Scheme, the programme cash flows, as modelled, indicate that, if sunk costs are ignored, a peak debt funding requirement is reached in year 3 with the Scheme almost at break even in year 4 and in surplus from year 5 onwards. If sunk costs are included the peak debt is reached in year 3 and a surplus is reached from year 7 onwards. PWC have confirmed that they consider that the appraisals presented by GL Hearn have been properly considered and reflect the Developer’s development intentions.

6.27 The Developer has set up a project company/special purpose vehicle as the delivery vehicle for the Scheme – this is a widely recognised approach to large scale project/programme
delivery. The project company is not established with sufficient resources to deliver the scheme utilising its own funds and the intention is that funding for the project would be provided by the shareholders of the Developer.

6.28 The Developer is a company incorporated in the Isle of Man. It is a wholly owned subsidiary of Renewal Holdings Ltd (also registered in the Isle of Man) which in turn is owned on a 50/50 basis by Incorporated Holdings Ltd (IHL) (registered in the Isle of Man) and Independent Advisors Incorporated (registered in the British Virgin Isles). It is these companies who it is intended will provide the required funding for the development. Funding for the project to date has been provided almost entirely by shareholders, with only circa 13% funded by bank debt provided by RBS.

6.29 The debt provided by the shareholders is unsecured with no fixed repayment date and has 10% annual interest charges applied to the debt – the interest charges are included in the appraisal modelling. The implication therefore is that the shareholders will only see their principal investment and interest returned as the scheme is delivered. The fact they have significant investment in the project already suggests that commercially further investment is highly likely. Indeed, the Developer and the shareholders have entered into a development and funding agreement providing for further funding for the scheme. Whilst this is subject to the appraisal at the time being able to demonstrate a 10% development profit. The sensitivity analysis carried out by GL Hearn identifies that property prices would need to fall by 13% across the scheme as a whole for this level of profit not to be delivered. PWC note that such a fall in house prices is not unprecedented but would represent a significant and unusual market adjustment not currently forecast by any credible commentators. Further, a collapse in the housing market would not occur in isolation and that the impact on any appraisal would be mitigated by other market adjustments such as a fall in build costs which they would anticipate during a property recession. The Developer, in common with other master developers, would have the option to pause the development until such time as house prices recovered.

6.30 Further, if for any reason the shareholders failed to provide the funding, there are alternative funding strategies for the project. An assembled site, with Outline Planning Permission/S73 Permission for the comprehensive Scheme, and the MDS delivery approach is considered to make the Scheme generally bankable/fundable. If the Developer’s shareholders decided not to fund the scheme, it would be expected that traditional debt funding would be available to the Developer to satisfy the maximum deficit arising during the course of the project. Given the residual value of the Site post completion of the land assembly exercise, such debt funding could be secured at favourable rates (on the basis of the Developer's shareholders fully subordinating their equity investment to date). Therefore assessing the scheme on a non-developer specific basis, it would be expected that the maximum deficit could be funded by any developer notwithstanding its financial standing or covenant strength.

6.31 In the Council’s view, if the comprehensive redevelopment is to come forward on a reasonable time-scale, this is only likely to occur if the Site is assembled with the assistance of CPO powers.

Could the Order purpose be achieved by other means?

6.32 Consideration has been given to whether the purpose for which land and rights are proposed to be acquired could reasonably be achieved by other means, including by other existing landowners, within a reasonable timescale. The purpose of the acquisition is to enable comprehensive redevelopment of the Order Land in accordance with the adopted planning policy framework. The Outline Planning Permission and S73 Permission envisage comprehensive redevelopment in general accordance with those policies. Given that the Developer has itself applied for and obtained planning permission and owns or controls the majority of the interests in the Site, the Developer is the obvious partner to bring forward the Scheme. It is considered that separate development of other parcels would be likely to result in piecemeal development, risk the non-achievement of comprehensive development of the Site and risk substantial delays in the Scheme coming forward.
6.33 Despite significant land assembly being undertaken by the Developer, land ownership across the Site is still fragmented. In order to achieve the public benefits of the Scheme and the ambition of comprehensive development, the land assembly needs to be complete. There is little prospect of this occurring without the Order.

6.34 Nor could the re-development take place elsewhere. The Site is unique in terms of size, scale and location of development which is reflected in being one of only five sites allocated in the Core Strategy as a Strategic Site. These sites have been identified due to their potential to collectively transform the physical environment and achieve place making objectives by delivering a comprehensive range of regeneration outcomes is the Borough’s most deprived areas. Whilst there are other sites within the Borough which will contribute to the delivery of the Core Strategy, none deliver the range of benefits of the strategic sites. Collectively, the four strategic sites in Deptford/New Cross are expected to deliver 60% of the Council’s ten year housing target in addition to a range of employment opportunities and infrastructure, accessibility and public realm improvements. These planning objectives cannot be realised from any alternative site for this scale of major regeneration.

6.35 It is therefore considered that the Scheme, for which planning permission, has been granted is viable, that funding will be in place to enable implementation of the Order if confirmed and that there is a reasonable prospect that the Scheme will be delivered on a reasonable timescale. Consequently, if the Order is confirmed the Council is confident that there will be no impediments to implementation.
CONSULTATION

7.1 The Council has undertaken a series of consultation exercises in respect of the regeneration and planning policies applicable to the Site and surrounding area. In turn the Developer has carried out consultation in respect of the specific Scheme proposals and there has been statutory consultation on the planning applications. There has thus been extensive consultation over a number of years both in respect of the policies and principles underpinning the Scheme through to detailed proposals.

7.2 Extensive consultation was undertaken by the Developer throughout the pre-application consultation process and meetings took place with a wide range of local groups and all relevant stakeholders. Up until the outline planning application was submitted in February 2011 overall the Developer promoted the scheme to 76,074 community members, and spoke to approximately 4,825 people directly.

7.3 Since February 2011 the Developer has continued to respond to all enquiries from the local community (including residents, local businesses and MFC supporters). The Developer has developed relationships with both local (South London Press, Southwark News, New Shopper and Lions Live radio show) and regional press (Evening Standard) who publish stories on the Scheme when there is a significant development. The Developer has launched a newsletter, the first issue of which was published in Spring 2015 and circulated to 1,500 neighbouring properties and published online. Since the granting of the Outline Planning Consent the Developer has received weekly enquiries from local residents and businesses. The Developer responds to every enquiry within 48 hours and records of all correspondence are kept.

7.4 In February 2015 the Scheme was launched as New Bermondsey to coincide with the Mayor of London’s announcement regarding Housing Zone designation. The launch included new branding, the newsletter and a new website www.newbermondsey.com

7.5 Up until submission of the outline planning application, consultation activities consisted of pre application meetings with elected Members, MPs, London Assembly Members, the Mayor and Cabinet and representatives from local organisations including the Police, Lewisham College, Goldsmiths College, local schools, MFC, the MCS and Lewisham Hospital.

7.6 Specific consultation activities include:

Lewisham People’s Day: July 2010
The Scheme was launched to the public at Lewisham People’s Day on the 10th July 2010. People’s Day is Lewisham’s longest running community festival attracting over 30,000 people, with the majority attending from the north of the Borough.

Lewington Centre exhibition
Following People’s Day, the Developer held a more detailed three day exhibition at the Lewington Centre on the Silwood Estate immediately to the north of the Site from Sunday 25th to Tuesday 27th July 2010.

Scotney Hall exhibition
A further exhibition was held on Friday 1st and Saturday 2nd October 2010 at Scotney Hall on the Winslade Estate immediately to the south of the Site in order to engage with those were not able to attend either People’s Day or the Lewington Centre exhibition because they were away during the summer.

Young People
The Developer identified the importance of speaking with as many young people as possible given the number of young people in the Surrey Canal area is very high (27.4% of the local population are aged between 15-25 compared with 11.5% across London).
In partnership with the Deptford X visual arts festival, the Developer commissioned the ‘A Load of Rubbish’ project. The project enabled Turner Prize nominated artist Mark Titchner to run workshops with Deptford Green students to create three pieces of artwork which were displayed on the three refuse trucks which serve North Lewisham.

The Developer presented to the Council’s Young Mayor and Cabinet and their feedback had a direct impact on development of the Scheme. For example the type of sports facilities included; the Young Mayor and Cabinet’s creative response to the proposals led to the inclusion of a climbing wall in the proposals and led to the consideration of more unusual sports, such as a diving centre. Following initial presentation to the group, the Developer kept in close contact with them, invited them to events and kept them updated with the plans for the Emerging Scheme as they developed.

The Developer presented to the Ministry of Youth group who are based immediately to the south of the Surrey Canal area on the Winslade Estate and they have worked closely with the Ministry of Youth on the proposals for an enhanced community park at Bridgehouse Meadows.

Faith Leaders and Groups

The Developer spoke to Faith Leaders and Groups through surveys, and one to one meetings with Faith Leaders, the Faith Officer at the London Borough of University and Dr Chris Hewson from the University of Manchester who is conducting research into multi-faith spaces.

Overall the Developer spoke to over 100 Faith & Community organisations and appointed Michael Wakelin, former Head of Religion and Diversity at the BBC and current Director of Coexist Programmes at Cambridge University, to assist with finding suitable occupiers for phase 1 of the scheme. Mr Wakelin assisted the Developer with shortlisting six potential Faith occupiers, developing their proposals with them, understanding their organisations, and commercially testing their requirements. From those six organisations, the Developer selected to work with the Pentecostal Church, Hillsong. Hillsong are now operating from interim facilities on site at Stockholm Road pending development of Phase 1A. The interim facilities are understood to attract circa 6,000 visits per month.

Millwall Football Club

The Developer engaged with MFC fans, staff and management through fans forums, meetings at the two public exhibitions, advertisements in match day programmes and an interview on the Lions Live (MFC fans) radio show on 18th November 2010. Overall the Developer spoke directly to 975 MFC fans.

Bridgehouse Meadow workshop

A CABE Spaceshaper workshop was held with local residents and stakeholders in October 2010 to investigate the current use and potential of the space at Bridgehouse Meadows which will inform the design team’s approach to creating a revitalised community park.

S73 application consultation

The S73 application was publicised and consulted upon in accordance with the requirements of the Town and Country Planning (Development Management Procedure) Order 2010. In addition, the application was advertised and consulted upon in accordance with the requirements of the Town and Country Planning (Environmental Impact Assessment) Regulations 2011. Internal consultations were carried out with relevant departments at the Council. The required external consultations were also undertaken.
Regulations 2011. Internal consultations were carried out with relevant departments at the Council. The required external consultations were also undertaken.

7.9 The Developer consulted widely with Sport England and the various National Governing Bodies of sport, including the English Table Tennis Association, the British Amateur Boxing Association, England Netball, the Amateur Swimming Association, Basketball England and British Gymnastics who all supported the proposals for condensing the sports facilities from four buildings into one.

7.10 Details of the S73 Application were uploaded to surreycanal.com.

7.11 On 22nd May 2013 MCS was updated on the S73 application and the Scheme.

7.12 The Council sent out 362 letters to residents and business in the surrounding area. In addition, ten site notices were displayed within the vicinity of the Site on the 23rd October 2013 and Ward Councillors were notified.

7.13 Two local representations were received in response to the communication sent out. One letter of support from a property on llderton Road and one letter of objection from solicitors acting on behalf of MFC.

7.14 The Developer owns all the land affected by the changes proposed in the S73 Permission. All tenants on these plots have been kept informed of the progress of the master plan and their leases are structured accordingly.

Online

7.15 Since the Outline Planning Permission was granted, the Developer has launched the New Bermondsey website (www.newbermondsey.com) which includes statements from the Developer and all planning application documents submitted to the Council. A stand-alone website has been developed for the SCSF (www.surreycanalsportsfoundation.org.uk). In February 2012 the New Bermondsey website was launched to coincide with the Mayor of London’s designation of New Bermondsey as a Housing Zone, with all traffic from the former www.surreycanal.com website re-directing to the New Bermondsey website.
8. **ATTEMPTS TO ACQUIRE BY AGREEMENT**

8.1 Wherever practicable, the Developer has sought to acquire properties by agreement. The Council has provided support to the Developer in the acquisition process and remains fully aware of the requirements of the CPO Guidance and the intention that CPO should be a matter of last resort.

8.2 At the time of preparation of this Statement of Reasons, some [24] interests (excluding highways land) required for the Scheme remain to be acquired within the Site. The Developer continues to seek to acquire interests by agreement and a number of other interests are at an agreed sale stage.

8.3 The Developer has corresponded extensively with landowners regarding the acquisition of their interests. In such correspondence, the Developer has provided contact details for relevant officers at the Council encouraging the landowner to contact the Council should they wish to do so. Further, in June 2014 the Council wrote to those parties with remaining land interests in the Site who have not yet reached a negotiated settlement with the Developer for the acquisition of their interest. The letter encouraged landowners to negotiate with the Developer, but also stated that the Council remained willing to treat directly with them for the acquisition of their interest should they not wish to negotiate with the Developer. The Council again wrote to landowners on 11th December 2015, explaining that Officers were in the course of preparing a report to the Council’s Mayor and Cabinet to consider whether a CPO should be made. The letter again invited negotiations for the acquisition of the interests by private treaty and stated the Council’s and the Developer’s intention that in the event of a CPO being made, the process should run in parallel with continued negotiations, the clear preference being acquisition by agreement and not the use of CPO powers. The Council again wrote to landowners on 19 January 2016 advising of Officers intention to submit a report to Mayor and Cabinet in relation to the CPO resolution.

8.4 The Developer has kept all of the existing tenants informed about progress with the Scheme and the likely timescales for the relevant Phase that their unit is located in, to ensure that they can manage their business and property matters. A letter was sent to all tenants on informing them of the relocation strategy and that Kalmars Commercial Agents had been appointed to assist tenants with finding new accommodation. New tenants are advised of the planned regeneration of the area and the estimated timeline for each of the proposed Phases before entering into their leases, and all new leases have the appropriate breaks to ensure that the Developer can obtain vacant possession with 6 months’ notice.

8.5 The Developer has actively assisted any tenants who have required advice on relocation. The Developer has also identified vacant industrial space within ½ mile of the Site that is equal to the current occupied space within the red line boundary of the Scheme and which may provide suitable alternative accommodation. The Developer is aware that one current tenant at unit 24 Orion Business Centre, has signed a new lease with the landlord of the neighbouring Surrey Canal Trade Park following an introduction by the Developer. The tenant at unit 24 is expecting to move to the Surrey Canal Trade Park in March 2016.

8.6 In May 2015, the Developer appointed Kalmars Commercial to assist current commercial tenants with advice on relocation and available alternative commercial properties on the market. GL Hearn, who have been appointed jointly by the Council and the Developer on valuation matters, have also corresponded with individual landowners and where appropriate provided desk top valuations on outstanding interests to be acquired. All landowners have been offered a site visit by GL Hearn. To date, of the remaining interests to be acquired, Unit 2 Enterprise Industrial Estate, Units 28 and 35 Bolina Industrial Estate, Unit 11 Orion Industrial Estate and Units 10 & 11 Excelsior Works Industrial Estate have allowed GL Hearn access for an internal inspection and subsequent valuation reports have been issued to the landowners as a basis for negotiation.

8.7 The Developer has also prepared a relocation strategy which has been submitted to the Council and approved under the Section 106 Requirements. A copy of the approved strategy
is appended to this Statement of reasons at Appendix H. The Section 106 Agreement requires the Developer to implement the approved strategy.

8.8 [One residential building is included within the Order. This is the property known as Bridge House which is a house in multiple occupation owned by an investor/landlord.

8.9 The Council will provide support to residential occupiers where required through their Housing Options Centre. Contact information for the services available will be provided to all resident occupiers.\(^6\)

8.10 The two largest remaining land interests by area comprise the leasehold interests vested in the MCS and MFC. The Council and the Developer have been in regular communication with the MCS over several years regarding the development of the Scheme and the acquisition of MCS’s leasehold interest in the Lion’s Centre, the facility that MCS currently occupy. The Council has attended the MCS trustees meeting a number of times to provide updates on the Scheme.

8.11 In recent months the Council and the Developer have engaged in detailed negotiations with MCS regarding heads of terms for the surrender of their leasehold interest in the Lion’s Centre and subsequent relocation to the SCSF building within Phase 2 of the Scheme. This engagement has taken the form of a series of meetings between the Council, the Developer and a representative from the MCS board of trustees. MCS has appointed solicitors and negotiations regarding the surrender of the MCS lease and MCS’s relocation to the new sports facilities (Energize) in Phase 2 continue.

8.12 Attempts by the Developer over a number of years to acquire MFC’s leasehold interest in the land around the Stadium and the rights to carry out the upgrade works to the Stadium façade (including against the background of the land sale agreement between the Council and the Developer relating to the Council’s freehold interest) have so far failed. The developer has submitted a formal offer to MFC for that interest, but MFC remain unwilling to negotiate any agreement for the surrender of their leasehold interest. MFC maintain that they wish to redevelop the land around the Stadium themselves in a manner consistent with the Developer’s proposals. Despite being given ample opportunity to do so, however, MFC have not submitted any planning application, nor otherwise produced any detailed proposals. Nor (despite being advised to do so) have they provided a business case and funding strategy which demonstrates how any such proposals can be carried out in a manner which fits in with and does not prejudice the wider Scheme, including from a viability perspective.

8.13 There have been more recent discussions between the Developer, MFC and the Council regarding the rights required by MFC in order to continue operating the Stadium in the event the Order in respect of the land around the Stadium is confirmed.

8.14 Negotiations with MFC will continue in parallel with the Order process and efforts will be made to reach agreement for disposal of their interest to the Developer or the Council and the grant of appropriate rights being reserved to MFC in respect of the land around, and required for continued operation of, the Stadium.

8.15 Updated details as to the position regarding acquisition will be provided in due course.

\(^6\) Note: heads of terms have been agreed between the Developer and owner of Bridge House for the sale of the Property to the Developer. The owner is to relocate existing tenants to another property he owns. The text in paras. 8.8 and 8.9 will be deleted if the sale completes prior to the CPO being made.
9. THE CASE FOR COMPULSORY PURCHASE

9.1 The Order Land forms part of the Site and is situated within New Cross ward in the north west corner of the Borough, adjacent to the London Borough of Southwark. The Order Land and the Site are within an area which presents as a degraded low quality environment which is overwhelmingly industrial in character with industrial estates established in the 1970’s and 1980’s as part of a previous package of funding for economic development, which are closed off and inward looking and within a wider area severed by wide viaducts with an environment which discourages pedestrian access and connectivity. Access into and out of the Site is limited by a number of constraints including railway lines, poor pedestrian crossing facilities and no direct access to South Bermondsey Station. The area is largely devoid of identifiable features such as local shops, community and leisure facilities.

9.2 The area within which the Order Land is situated suffers from serious physical, social and economic deprivation including a lack of accessibility in a poor physical environment, with high levels of unemployment, low skills and qualification attainment, health inequality, and issues of housing affordability and overcrowding. Appendix I contains details of the New Cross Ward profile (2014), compared with the Borough as a whole.

9.3 The Index of Multiple Deprivation which looks at a range of indicators covering income, employment, health, education, training, skills, living conditions and access to services saw Lewisham ranked as the 39th most deprived local authority area in England with a number of areas ranked in the 20% most deprived areas in England. New Cross is one of the most deprived wards in the Borough with particular health inequalities when compared with other parts of the Borough. In response, the Core Strategy seeks to promote social inclusion and strengthen the quality of life and well-being for new and existing residents of the Borough by addressing deprivation and health inequalities in New Cross and other more deprived parts of the Borough, creating safer and stronger communities by reducing crime and fear of crime through innovative design and land use policies, as well as providing physical, social and green infrastructure including high quality health and education facilities that are accessible and suitable to all of the Borough’s residents to foster independent community living.

9.4 The applicable policy framework for the Order Land includes, inter alia, the London Plan, Core Strategy and the NPPF.

9.5 The NPPF provides a presumption in favour of sustainable development where, economic, social and environmental gains should be sought jointly and simultaneously through the planning system. Paragraph 49 of the NPPF specifically states that ‘housing applications should be considered in the context of the presumption in favour of sustainable development’. Planning should operate to encourage and not act as an impediment to sustainable growth. Good design is indivisible from good planning and should contribute positively to making places better for people.

9.6 The Site falls within the South East London Sub-Region, where policy seeks to encourage new development that underpins the sub-region's dynamism and potential, and delivers the priority for delivering regeneration and transport improvements and links from the capital and the Thames Gateway. The London Plan encourages the Council to accommodate substantial growth for London’s economy and population, whilst optimising the development of Opportunity Areas and ensuring that housing provision is supported by social and community infrastructure.

9.7 The Spatial Strategy within the Core Strategy identifies four Regeneration and Growth Areas where the majority of the Borough’s new housing, retail and employment uses will be focused. The Regeneration and Growth Areas will provide key regeneration and development opportunities and provide a clear basis and focus for new homes and jobs which contribute to local regeneration, thus addressing deprivation and improving social inclusion. Deptford, Deptford Creekside and New Cross/New Cross Gate is one of the four Regeneration and Growth Areas where the scale of change will be most pronounced in this part of the Borough and has the potential for long term physical and socio-economic benefits. It is considered to be a prime location for delivering a substantial portion of the identified
housing need and required employment floorspace within the Borough and is proposed to accommodate 2,300 new homes by 2016 and a further 8,325 new homes by 2026.

9.8 Spatial Policy 2 within the Core Strategy identifies five strategic sites which are to act as a catalyst for regeneration of the area. The Site is one of such strategic sites. Strategic Site Allocation 3 (SSA3) within the Core Strategy identifies the Site for comprehensive mixed use development and sets out specific requirements for a comprehensive phased approach to redevelopment. Within the priorities in SSA3, the Site is identified as representing an opportunity to transform the environment and infrastructure and create a new destination around Millwall Football Stadium, which currently is not enhanced or improved by the surrounding industrial estates. It is considered that the re-development of the Site, with the retention or replacement of employment uses on site would contribute to the economy of the Borough, increase its diversity and offer new types of jobs and training opportunities that are currently limited locally.

9.9 The purpose for which the Order Land is required is considered to meet the objectives of the London Plan, Core Strategy and the NPPF and fits within the adopted/applicable planning framework for the area within which the Order Land and the Site are situated. Against this background, the Outline Planning Permission and the S73 Permission have been granted.

9.10 The Order Land is required to facilitate the comprehensive delivery of the Scheme which in turn is considered to deliver a number of key social, economic and environmental benefits. These are addressed more fully in Section 3 of this Statement of Reasons. Key outputs include:

- The regeneration of a deprived area;
- Approximately 2,400 new homes of a variety of types and tenure including affordable housing;
- Approximately 2,000 new jobs;
- A new Overground station on the East London Line, enhanced public transport and accessibility and new new pedestrian and cycle routes;
- Other infrastructure, including highway/junction improvements;
- New and enhanced public realm;
- A significant new sports facility;
- New and enhanced security and safety measures;
- Hotel and conferencing facilities;
- New social infrastructure including health, faith, community space, library and health facilities;
- Roof planting to assist habitat creation;
- A new creative quarter and space for business start-ups.

9.11 It is considered that the Scheme will deliver significant social, environmental and economic benefits and fully realise the planning and regeneration policy objectives set at National, Regional and Local level as well as delivering against other relevant policy including the Council’s Regeneration and Sustainable Community Strategies.

9.12 The Order Land comprises a number of discrete ownerships which are required in order to ensure comprehensive delivery of the Scheme and achieve the planning and other policy
objectives for the area within a reasonable timescale. Although reasonable efforts have been made, and will continue to be made, to acquire the necessary land and rights by agreement, to-date it has not been possible to achieve acquisition by negotiation. The Council considers that the Order is necessary to acquire all the land and rights needed for the Scheme to give certainty that the Scheme can come forward within a reasonable timescale and so that the wider public benefits that the Scheme and realisation of the policy objectives can be achieved.

9.13 Notwithstanding that the Order has been made, the Developer and the Council will continue to seek to acquire the necessary land and rights by agreement.

9.14 Section 6 of this Statement of Reasons addresses the question of delivery of the Scheme and the likelihood of it coming forward within a reasonable timescale. For the reasons given in Section 6, the Council has concluded that the development would be viable, has a clear and achievable delivery strategy and that the necessary resources, including funding, will be available to achieve the purpose of the Order within a reasonable timescale.

9.15 The Council has also considered whether the purpose for which land and rights are proposed to be acquired could reasonably be achieved by any other means, including by other existing landowners, within a reasonable timescale. For the reasons given in paragraphs 6.31 to 6.33 of this Statement of Reasons, the Council does not consider the purposes for which the Order Land is required could reasonably be achieved by other means or that the objectives might be realised elsewhere.

9.16 As set out in Section 11 of this Statement of Reasons, the Council has had full regard to the Human Rights implications of pursuing the Order and taken into account the economic well-being of the locality in terms of regeneration, housing need, sustainable communities and environmental improvements and has carefully considered the balance to be struck between individual rights and the wider public interest. In this instance, the Council considers that the Order is required in the public interest and is consistent with the ECHR and 1998 Act in that the public purpose of securing the Order Land for the Scheme and concomitant economic, social and environmental benefits are of sufficient weight to override the interference with human rights that the Order necessarily involves, and that compulsory acquisition is necessary to achieve that purpose. It is also considered that the Order is proportionate having regard to the alternative means of securing the redevelopment of the Order Land and the associated regeneration of the area.

9.17 In all the circumstances, the Council considers there is a compelling need in the public interest for compulsory acquisition.

Special considerations

9.18 None of the existing buildings within the Order Land or on the Site are listed or locally listed and none of the Order Land/Site is in a conservation area. The Order Land is, however, within an Archaeological Priority Zone.

9.19 In addition there are 119 designated ‘heritage assets within 1km of the boundary of the Site, including listed buildings, non-listed buildings of local interest, conservation areas and Southwark Pier (a Registered Grade II Park and Garden) and Greenwich Maritime World Heritage Site, which is to the south east of the Site. These heritage assets are listed in Appendix J

Government Departments

9.20 No correspondence has been received from Government Department regarding the Scheme.
10. **HUMAN RIGHTS**

10.1 The European Convention on Human Rights ("the Convention") was incorporated into domestic law in England and Wales by the Human Rights Act 1998 ("the 1998 Act"). The 1998 Act prevents public authorities from acting in a way which is incompatible with rights protected by the Convention.

10.2 Of particular relevance to the compulsory purchase process are Articles 6 and 8 of the Convention regarding entitlement to a fair and public hearing by an independent and impartial tribunal and respect for privacy and family life respectively and Article 1 of the First Protocol which concerns the protection of property.

10.3 The CPO Guidance advises that "a compulsory purchase order should only be made where there is a compelling case in the public interest. An acquiring authority should be sure that the purposes for which the compulsory purchase order is made justify interfering with the human rights of those with an interest in the land affected. Particular consideration should be given to the provisions of Article 1 of the First Protocol to the European Convention on Human Rights, and in the case of a dwelling, Article 8 of the Convention".

10.4 As regards Article 6 rights the Scheme has been publicised and consultation has taken place with parties potentially affected by the Order. All those parties whose interests are identified and included in the Order will be notified and have the right to make objections or other representations to the Secretary of State for Communities and Local Government and to be heard at a public inquiry or by means of written representations. The statutory process and right for affected parties to pursue remedies in the High Court where appropriate, are compliant with Article 6.

10.5 Both Article 8 and Article 1 of the First Protocol rights are qualified rights and may therefore be overridden where it is considered that the interference with these rights are proportionate and that the interference is necessary in the interests of, amongst other things, national economic well-being.

10.6 The European Court of Human Rights has recognised in the context of Article 1 of the First Protocol that "regard must be had to the fair balance that has to be struck between the competing interests of the individual and of the community as a whole", and both public and private interests have been taken into account in the exercise of the authority's powers and duties as a local authority. The Council considers that the Order constitutes a fair balance between the public benefits accruing from the acquisition and implementation of the Scheme and the private rights affected by the Order.

10.7 It is acknowledged that the Order if confirmed will result in the taking of property. However, this will be in accordance with a statutory process which was held to be compliant with Article 6 of the Convention which provides that "everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law".

10.8 The CPO process undertaken by the Council has taken into account the economic well-being of the locality in terms of regeneration, housing need, sustainable communities and environmental improvements. The process already allows for the payment of compensation to those where properties and other private rights are affected by the acquisition of land under the CPO process. Compensation will be payable in accordance with the Compulsory Purchase Code (comprised in statute and case law) and including the market value of the property interest compulsorily acquired, together with (where appropriate) disturbance, statutory loss payment and home loss payments.
10.9 Moreover, in pursuing this Order, the Council has carefully considered the balance to be struck between individual rights and the wider public interest. In this instance it is considered that the Order is required in the public interest and is consistent with the ECHR and 1998 Act in that the public purpose of securing the Site for the redevelopment described herein and concomitant economic, social and environmental benefits are of sufficient weight to override the interference with human rights that the Order necessarily involves and that compulsory acquisition is necessary to achieve that purpose.

10.10 It is also considered that the Order is proportionate having regard to the alternative means of securing the redevelopment of the Order Land and the associated regeneration of the area.
11. **REGNERATION AND EQUALITIES STATEMENT**

11.1 A Regeneration and Equalities Statement has been undertaken. This sets out the regeneration effects of the Scheme and further identifies how the Scheme and Order has taken account of the potential impact of the Scheme on equalities groups as stipulated under the Equalities Act 2010. A summary of the key findings are detailed below and the full copy of the document can be found at Appendix K.

11.2 The Scheme represents a significant investment in a deprived area in need of comprehensive regeneration. The provision of new jobs, homes, community facilities, and the opportunities they bring to local communities, can help to drive the wider regeneration of the area going forward.

**Problems of deprivation**

11.3 North Lewisham, and New Cross in particular, currently face a number of serious socio-economic challenges that need co-ordinated intervention.

11.4 Deprivation is widespread in the area and challenges include high levels of unemployment, low skills and qualification attainment, health inequality, and issues of housing affordability and overcrowding.

11.5 In physical terms, the Site itself suffers from poor accessibility and permeability in a run-down physical environment.

**How the Scheme will address deprivation**

11.6 Overall, the Scheme represents an opportunity to address the socio-economic challenges outlined above by delivering a comprehensive mixed use regeneration project that can provide a step-change in both the perception of the area and the realities faced by local residents. The increased accessibility, jobs and business space, and new homes can provide major public benefits to existing residents as well as occupiers of new space in the future. This is set in the context of a regionally-significant range and quantum of sports facilities, and other beneficial and inclusive community facilities and a newly-accessible urban environment.

11.7 The overwhelming public benefits of the Scheme will help to transform the area and improve the quality of life of existing and future residents, kick-starting a process of regeneration in the local area, by:

- Bringing an uplift of around 2,400 homes in a range of sizes, types and tenures with sensitive design and accessibility standards, to help alleviate pressure on housing need;
- Facilitating a new Overground station on the East London Line in the south-east corner of the site, linked by a Stadium Boulevard to the existing South Bermondsey station at the north west;
- Creating around 2,000 new jobs and business space through securing private sector investment in growing sectors that provide local residents with entrepreneurial opportunities, and contributing to a new growth hub for North Lewisham;
- Connecting with the wider economy in central London through attracting new visitors and residents to the area and retaining their spending in local businesses and services;
- Supporting local residents with employment and training packages tailored to address their specific needs, so that residents can take advantage of additional jobs locally and compete for higher skilled jobs in the wider London labour market;
- Delivering physical improvements, including good quality street scene, public open spaces and new buildings to establish this as a new neighbourhood - an area people...
want to live or work in or visit. The design and accessibility improvements will provide a new setting for residents, businesses and Community uses and events, minimising perception and fear of crime and opening up a previously inaccessible area to all current and future residents;

- Providing the scale and critical mass of development to change perceptions of the area; and

- Providing opportunities to lead healthy lifestyles and giving access to community facilities in an active environment.

Equality and protected characteristics

11.8 In undertaking a major development, including CPO, it is critical to assess the impacts on residents, visitors and employees – and particularly any disproportionate effects of the proposals on vulnerable people, protected groups or protected characteristics as defined by the Equality Act 2010, and identify associated mitigation.

11.9 Each element of the Scheme has been assessed with the effects on these groups in mind, with mitigation and monitoring identified where appropriate, and set in the context of the overwhelming public benefit gained from the development. By providing the regeneration benefits outlined above, the Scheme will help to redress a number of aspects of social inequality and deprivation that exist here for groups that are particularly vulnerable, promote social inclusion, and help to foster good relationships between different people.

Stakeholder engagement

11.10 Throughout the process, the Developer has undertaken frequent community engagement and consultation, with a particular focus on hard-to-reach groups, in order to inform the design and operation of the scheme and relate it back to the needs of local people. Consultation has been inclusive of all stakeholders and community groups, and recognises the importance of key demographic groups prevalent in the area, including young people and BME groups. The Outline Planning Application, 3.01 Supporting Reports, 3 Statement of Community Engagement, February 2011, includes the full list of all meetings and events held as part of the pre-application process.

11.11 The operation of facilities and selection of occupiers has been (and will continue to be) managed to be inclusive and in line with the aspirations of the local community, making particular efforts to eliminate discrimination and foster good relations between people.

Conclusion

11.12 Currently, the area within which the Order Land and the Site are situated faces high levels of deprivation and inequality when compared to standards in the Borough and London as a whole. The Scheme will provide overwhelming public benefit in this area, thereby benefitting the local communities and the wider South East London area. The Scheme represents a significant investment of an under-utilised site in a severely deprived area in North Lewisham, bringing forward jobs and business space, homes, and community facilities including regionally significant sports facilities, within a well-designed publicly accessible environment. The Developer has acquired a significant proportion of the Site, and requires the assistance of compulsory purchase powers on remaining elements to ensure that a comprehensive, site-wide regeneration programme can be delivered.

11.13 North Lewisham currently suffers from serious physical, social and economic deprivation including a lack of accessibility in a poor physical environment, with high levels of unemployment, low skills and qualification attainment, health inequality, and issues of housing affordability and overcrowding. Several elements of the Scheme could lead to an overwhelming public benefit and help to transform the area and improve the quality of life of existing and future residents. The Scheme could kick-start a process of regeneration in the local area, by:
Creating new jobs and business through securing private sector investment in growing sectors that provide local residents with entrepreneurial opportunities, and contributing to a new growth hub for North Lewisham;

Connecting with the wider economy in central London through attracting new visitors and residents to the area and retaining their spending in local businesses and services;

Supporting local residents with employment and training packages tailored to address their specific needs, so that residents can take advantage of additional jobs locally and compete for higher skilled jobs in the wider London labour market;

Delivering major physical improvements, including good quality street scene and new buildings to establish this as a new neighbourhood - an area people want to live or work in or visit;

Providing the scale and critical mass of development to change perceptions of the area; and

Providing opportunities to lead healthy lifestyles and giving access to community facilities in an active environment.

By providing the regeneration benefits outlined above, the Scheme could help to redress a number of aspects of social inequality and deprivation that exist here for groups that are particularly vulnerable. In undertaking a major development, including CPO, it is critical to assess the impacts on residents, visitors and employees. In doing so, it is vital to assess any disproportionate effects of the proposals on vulnerable people, protected groups or protected characteristics as defined by the Equality Act 2010, and identify associated mitigation.

[The Scheme will necessitate the removal of one residential property (Bridge House). It is recognised that residents will therefore be affected by the proposals and there is the potential for negative impact where residents include people with protected characteristics and/or dependencies on their residential location. Given that the Scheme will deliver a significant number of new, accessible homes (many likely to be in the private rented sector) and rates of background turnover in the private sector, the likely impact is considered minimal.]

In addition, the Scheme will create up to 2,400 new homes that are designed to be accessible, meeting Lifetime Homes standards as a minimum and 10% of which will be wheelchair accessible. The design standards will anticipate the needs of current and future residents and visitors with disabilities, older people with limited mobility, and other groups such as parents with children. The significant uplift in accommodation on-site will help to alleviate problems faced by residents in terms of accessing homes given the range of tenures and sizes, including affordable homes that respond to housing need which disproportionately affects some groups with protected characteristics.

A number of business units will need to be removed from the site through CPO. This process will have a long lead-in time given the phasing of the development, and all affected businesses will be given help in finding new premises via a Relocation Strategy. The uplift of 2,000 construction and operational jobs created in the development represent a potentially significant benefit to local residents. They will be in a range of sectors and skill levels, with a mix of flexible employment and entry-level jobs that can be particularly accessible to hard-to-reach groups including some of those with protected equalities characteristics. Additionally,

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Note: heads of terms have been agreed between the Developer and owner of Bridge House for the sale of the Property to the Developer. The owner is to relocate existing tenants to another property he owns. The text in para.11.5 will be deleted if the sale completes prior to the CPO being made,
the Developer and the Council have committed to local employment and brokerage schemes to maximise the employment benefits for local people.

11.18 The Scheme will also bring forward a significant offer in terms of community facilities – including regionally significant sporting facilities, a faith centre, health centre, and improved public realm and open space. The operation of these facilities and selection of occupiers has been (and will continue to be) managed to be fully inclusive and to engage with the local community, making particular efforts to eliminate discrimination and foster good relations between people.

11.19 The design and accessibility improvements will provide a new setting for residents, businesses and community uses and events, minimising perception and fear of crime and opening up a previously inaccessible area to all current and future residents, including those with limited mobility, children and older people.

11.20 The comprehensive re-development of the Site needs to take due regard of the impacts on current users and occupiers of the Site. The area already has a strong sporting heritage through Millwall FC and the Lions Community Scheme – which will be able to continue its good work in engaging with hard-to-reach groups in the community in new high-quality floorspace within the new sports facility on-site (Energize).

11.21 Throughout the process, the Developer has engaged in detailed and frequent community engagement and consultation, with a particular focus on hard-to-reach groups. Consultation has been inclusive of all stakeholders and community groups, and recognises the importance of key demographic groups prevalent in the area, including young people and BME groups.

11.22 Overall, the Scheme represents an opportunity for the comprehensive delivery of a mixed use regeneration project in an area of socio-economic deprivation and need. The offer of increased accessibility, jobs and business space accessible to local people and fostering entrepreneurship and skills development, and new homes in a range of tenures can provide major public benefits to existing residents as well as occupiers of new space in the future. This is set in the context of a regionally-significant range and quantum of sports facilities, and other beneficial and inclusive community facilities that will help to redress current social inequalities in the area.
12. **ENQUIRIES**

**Website**

12.1 Information about the Scheme and the Order as it progresses is available on the Council’s website at:

HTTP://WWW.LEWISHAM.GOV.UK/INMYAREA/REGENERATION/DEPTFORD/NORTH-DEPTFORD/PAGES/SURREY-CANAL.ASPX

12.2 Additional information is available at:

www.newbermondsey.com

12.3 The Order documents and other documents listed below can be inspected during normal office hours at [ TBC ] and may also be viewed at:

12.4 Every effort will be made to assist parties affected by the Order to relocate where required. Any such party should in the first instance contact SCT@lewisham.gov.uk.

12.5 Further contact details are as follows:

12.5.1 **General Enquiries**

Council Officers – Tim Chaudhry or Kpolm Lotsu

SCT@lewisham.gov.uk

020 8314 3530

Regeneration & Asset Management

4th Floor Laurence House

Catford

SE6 4RU

12.5.2 **Land/Compensation Enquiries.**

David Conboy

CPO and Regeneration Associate Director

GL Hearn Limited

280 High Holborn

London

WC1V 7EE

Tel: 020 7851 4811

Email: david.conboy@glhearn.com
12.5.3 **Planning Enquiries**

020 8314 7400

planning@lewisham.gov.uk

12.5.4 **Legal Enquiries**

Jocelyn Denton

Bond Dickinson LLP – Legal Director

0345 415 0000

12.6 Should the reader wish to contact the Developer, the relevant contact details are:

**Renewal, Roof Top, Guild House, Rollins Street, London SE15 1EP.**

**T:** +44(0) 20 7358 1933

**E:** info@renewalgroup.co.uk

www.newbermondsey.com ]

**Public inquiry rules and documents**

12.7 This is a Statement of Reasons which is not intended to discharge the Council’s statutory obligations under the Compulsory Purchase (Inquiries Procedure) Rules 2007.

12.8 A list of documents to be referred to is attached at **Appendix M.** The Council reserves the right to amend the list of documents or any other part of its Statement of Case in due course.
SITE LOCATION PLAN

- Bridgehouse Meadows
- South Bermondsey
- Silwood Estate
- Selchp
- Silwood Triangle
- Millwall Stadium
- Orion
- Jewsons
- Enterprise
- Winslade Estate
- Bridgehouse Meadows
Note: Map to be as per Order Map when CPO made.