

The London Borough of Lewisham (Land to the North and South of Surrey Canal Road, London SE14, 15 and 16 forming part of the New Bermondsey Site,) Compulsory Purchase Order 2016

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

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THE LONDON BOROUGH OF LEWISHAM (LAND TO THE NORTH AND SOUTH OF SURREY CANAL ROAD, LONDON SE14, 15 AND 16 FORMING PART OF THE NEW BERMONDSEY SITE) COMPULSORY PURCHASE ORDER 2016

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 forming part of the New Bermondsey Site) Compulsory Purchase Order 2015 (**Order**). The land and the 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 comprehensive regeneration of the Order Land in accordance with adopted planning policy, which it is intended will take place through the delivery of the Scheme (as defined below).
- 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**.¹ References to the '**Scheme**' are to the development as currently consented, but should be taken to include any variations as the development evolves and proceeds.
- 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 accordance with the requirements of Section 226(1)(a) of the 1990 Act. In considering whether to make the Order the Council also had regard to the requirements of Section 226(1A) of the 1990 Act, and it considers that the proposed redevelopment will contribute significantly to the promotion and/or improvement of the economic, social and environmental well-being of its 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 facilitate the development and re-development of the Site in line with relevant planning policy and the Council's corporate objectives. The purposes for which the Order Land is required meets 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 Order Map as per CPO when made.

² The Spatial Development Strategy for London Consolidated with Alterations since 2011 (March 2016).

- 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 the Council's principal planning policy document; this 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 that the industrial estates are closed off and inward looking. It states that the Site and wider area suffers from a good deal of severance caused by railway lines on wide viaducts, leading to 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 its 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 focused 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 (the **Developer**) has achieved planning permission for development that accords with Council, regional and national policy, and 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 (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.
- 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 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 within a relatively short timescale, reducing the estimated build programme from 11 years to 8 years. As a result of Housing Zone status, the Site has been allocated in principle funding of £20 million from the GLA/Treasury which will facilitate delivery of key infrastructure, including the new New Bermondsey Station and other transport infrastructure, providing 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 phases 1A and 2 at the same time, rather than consecutively, accelerating delivery of 532 new homes. It is currently proposed that c.£12 million of funding will be paid to the Council as grant funding under a

Borough Intervention Agreement, and that this sum will be advanced to TfL to provide and open the station within a set period. Previously the Developer was required to fund the station works, but as the sum for the station works will no longer be required to be paid by the Developer, the Developer will apply an equivalent sum to the delivery of additional affordable housing within the Scheme. A programme of regular monitoring meetings will be agreed between the GLA, the Developer and the Council to monitor delivery of the new station and the new homes, including the additional affordable housing.

- 1.19 Layout plans of the development authorised by the Outline Planning Permission and the S73 Permission are attached at **Appendix C**. The Developer intends 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, the principal ones being as follows:
- facilitating the redevelopment of the Order Land to create a new, high quality mixed use neighbourhood on 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 range of tenure types in a highly publicly 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 of the Site and the neighbouring area 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 utilities interests 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 69 titles, entered into sale agreements in respect of five titles and there remain 22 titles to be acquired which are comprised in the Order land. The 22 titles exclude highways plots, utilities interests, interests of occupational tenants (where the Developer expects to gain possession without recourse to the Order), land which is under contract with the Developer and any business tenancies of land not currently in the ownership of the Developer) which are comprised within the Order Land.

Of the 22 outstanding interests, three 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 [].
- 1.24 The Council has entered into a conditional land sale agreement with the Developer, under which the Council has 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 The Scheme is large and complex and has taken a long time to come to fruition. 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 and varied on [] 2016.
- 1.27 In the time since the resolution in principle, the Developer has continued to acquire remaining interests by agreement. The Scheme has been revised with a Section 73 application being approved 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. The Site has secured Housing Zone designation status which will enable the first two phases of the development to be delivered concurrently rather than consecutively with a proposed funding approach which will deliver the new Overground Station and enable delivery of additional affordable homes to an equivalent value. The Developer has established itself on the Site and has been working to raise the profile of the Site and the Scheme, introducing meanwhile uses and taking positive steps towards creating a sense of place. At the same time, the Council has taken steps to address the various pre-conditions set by Mayor and Cabinet in March 2012.
- 1.28 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 the Developer will allow the Developer to upgrade the road surface to create a consistent urban realm and manage and maintain the road. If required, rights of access will be granted to Network Rail and neighbouring landowners who need to pass over the road.
- 1.29 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.
- 1.30 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

³ To be included and reflect position when Order made.

also provide certainty for the programming of the Scheme and realisation of the policy objectives.

- 1.31 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**).
- 1.32 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 purposes 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.
- 1.33 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.

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2. THE ORDER LAND

- 2.1 The Order Land totals [] hectares⁴ 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 22 interests (excluding highways plots and utilities interests) 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 MFC Stadium is located at 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 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 station that runs approximately every 15 minutes, is located immediately adjacent to the Site with indirect access via Ilderton Road or by a new public footpath that extends from South Bermondsey Station to Surrey Canal Road with an exit point that brings you to the north end of Bolina 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. As explained above, the new station is to be delivered by TfL with grant monies passed through the Council under a Borough Intervention Agreement. The Developer and TfL have agreed that the new station will be called New Bermondsey Station.
- 2.7 The Site is has a total area of 10.74 hectares and is comparatively under-utilised. It currently represents an inefficient use of land and buildings which does not maximise the Site's potential and has job rates at well below the average per hectare for the Borough and the adjoining Borough of Southwark. The Site 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;

⁴ To be completed once Order finalised.

- 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;
 - 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);
 - The MFC 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 The majority of the buildings within the Order Land comprise industrial units. There are two live/work units within the Order Land, one of which (Unit 17 Excelsior Works) is occupied by an artist/sculptor, the other (Unit 18 Excelsior Works) is currently understood to be empty. The Order Land also encompasses the land round the Millwall FC Stadium which is leased to The Millwall Football and Athletic Company (1985) PLC (**MFC**) and the land known as the Lion's Centre, currently leased to the Millwall Community Scheme (**MCS**).
- 2.11 New rights are also required to fulfil certain requirements of the S106 Agreement. These affect land owned by Network Rail, London Underground Limited and MFC. The rights are 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 Permission).
- 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 increasingly 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 will be delivered comprehensively across the whole of the Site in accordance with adopted planning policy. Given that most of the Scheme value will not be realised until the later phases, the Scheme is unlikely to proceed before all of the interests that are required to deliver the entire Scheme are under control of the Developer. It is essential therefore that all existing interests in the Site are acquired, including those that subsist in land that the Council already owns, at the same time in order to ensure comprehensive redevelopment of the whole Site. Thus, the Order must be confirmed in its entirety.

3. **POWERS**

- 3.1 The Council seeks to acquire compulsorily the Order Land for the purposes of development, redevelopment or improvement 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 land compulsorily 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. Furthermore, the power may only be exercised 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: 1990 Act, 226(1A).
- 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 Plans or where strong 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 promote and improve 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 and are summarised at paragraph 2.11 above.
- 3.6 The Council considers that acquisition of the Order Land is necessary in order to facilitate 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 purposes underlying the Order are intended to be achieved through the delivery of the Scheme, which will deliver a number of significant benefits, as follows:
- Approximately 1,500 new permanent jobs plus 470 temporary construction jobs;
 - Approximately 2,400 new homes, including affordable housing;
 - 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 20,146 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 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 relatively poor and deprived area;
- Approximately 1,500 new permanent jobs (there are currently 366 jobs on the Site) and 470 temporary construction jobs;
- 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, in addition to providing a significant number of new homes, including much needed affordable housing, 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 London Thunder Basketball Club (formerly known as 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 visits 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;
 - 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.
- 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 11 and **Appendix K**) further demonstrates the economic, social and environmental well-being outputs and regeneration benefits of the Scheme.

3.9 The purposes for which the Order has been made, and the case for the compulsory acquisition of the land and interests included in it, are addressed in Section 9 of this Statement of Reasons. Information about how the Council has had regard to the European Convention on Human Rights are set out in Section 10.

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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 SSA3 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 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 and health inequalities. 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 improves peoples 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 SSA3 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; specifically it includes a significant provision of sports and leisure facilities, which while falling under different use classes not recognised by SSA3, will make a significant contribution toward employment within the Scheme. The Scheme 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 (with appropriate variations) 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 (now known as 'The Timberyard') – 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 23 March 2016, the Council granted planning permission in respect of the revised scheme following completion of a Section 106 Agreement.

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 completed by 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 is 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 the end of April 2017.

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.

4.51 Both parts of the development are expected to be completed by late 2018.

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 substations, 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 parameter plans approved under the Outline Planning Permission provide for an increase in the crowd capacity of the MFC Stadium from 20,146 to 26,500 should Millwall Football Club secure promotion to the Premier League and require a larger stadium. The Outline Planning Permission is also subject to a Section106 Agreement entered into on the same date and making provision for the following:

- 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 ground keepers 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;
- Contribution to improvements to Bridgehouse Meadows;
- 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 (with appropriate variations) 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:

A1/A2	Shops & financial & professional services	3,000 square metres
A3/A4	Cafes/restaurants and	3,000 square metres

	drinking establishments	
A5	Hot food takeaways	300 square metres
B1	Business	10,000 – 15,000 square metres
C1	Hotel	10,000 square metres
C3	2,400 apartments	150,000-190,000 square metres
D1	Non-residential institutions	400 – 10,000 square metres
D2	Leisure and assembly	4,260 – 15,800 square metres
		Total 240,000 square metres

- 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 (these timescales assume that a confirmed Order is required and that confirmation will be achieved at the end of 2017):

Phase	Buildings	Anticipated commencement of detailed design	Estimated date for start on Site	Estimated date for completion of Phase
Phase 1A	Orion	Q1 2017	Q2 2018	Q1 2020
Phase 1B	Excelsior 1-4	Q1 2019	Q2 2020	Q1 2022
Phase 2	Timber Wharf 1 & 2	Q1 2017	Q2 2018	Q2 2020
Phase 3	Stockholm 1 & 2	Q2 2019	Q3 2020	Q2 2022
Phase 4	Senegal 1 & 2 plus Stadium	Q2 2020	Q3 2021	Q1 2023
Phase 5	Bolina North 1 & 2 and Bolina West	Q2 2021	Q3 2022	Q4 2024
Phase 5A	Bolina East	Q4 2021	Q1 2023	Q3 2024

- 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 12 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 22 spaces for a car pool. From these spaces, Millwall Football Club will be allocated 150 underground spaces on match days, 80 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 is in advanced discussions for the letting of 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 261 private apartments. One tower will be 10-12 storeys, the other 17-21 storeys.
- 5.18 **Appendix G⁵** identifies the land interests still to be acquired for this Phase. These are interests in Unit 11 of the Orion Estate and three 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 251 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. 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,

⁵ Note: Appendix G to be included and reflect position regarding remaining interests at time CPO made

underground parking and a major new transport interchange connecting the new station at Surrey Canal Road to the London Overground.

- 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 is in advance discussions with sports occupiers for the building, to be called Energize, and pre-lets will be secured following confirmation of the Order. 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 5.29 and 5.30, 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 450 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 three to four 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 161 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 nine and then 13 storeys.
- 5.40 **Appendix G** identifies the land interests still to be acquired for this Phase. The MFC 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 three blocks/four towers (56,212 square metres), which will accommodate approximately 739 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 seven 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 two 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 239 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 since 2004, to-date by private treaty using its own equity with c.18% funded by bank debt. The Developer now has 85 tenancies in total with three tenancies 'at will', 65 tenancies outside the Landlord and Tenant Act 1954, two inside the 1954 Act (although both have expired and the tenants are holding over), and 15 assured shorthold tenancies. The Developer is in a position to deliver vacant possession across its ownership within six 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 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 around 2,600 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 London Thunder Basketball Club (formerly known as 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 visits per month and the Clubs will become core occupiers in Phase 2 of the Scheme.
- 6.6 The SCSF to-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 by reducing the estimated build programme from 11 years to 8 years. The 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. The proposed funding structure with c.£12 million being advanced as grant funding for delivery of the new station will free up c.£12 million to be applied to additional affordable housing within the Scheme. A programme of regular monitoring meetings has been agreed between the GLA, the

Developer and the Council to monitor delivery of the new station and new homes, including the additional affordable housing.

- 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 2017.
- 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). 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 approximately 8 years.. 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 by 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.

CPO Guidance and potential impediments to delivery

- 6.11 The Council has had regard in particular to the advice in Tier 1 and Tier 2 Section 1 of the CPO Guidance.
- 6.12 The matters that the Guidance identified as being relevant to the making and confirmation of s.226 CPOs include:
- whether the purposes for which the land is being acquired fits in with the adopted planning framework;
 - the extent to which those purposes will contribute to the achievement of the statutory well-being objectives;
 - whether the necessary resources, including funding, are likely to be available to achieve the Order's purpose within a reasonable timescale;
 - whether the scheme is likely to be blocked by any physical or legal impediments;
 - 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.
- 6.13 Site investigations undertaken to date have not revealed any physical factors which would impede delivery of the development.
- 6.14 There are no "special kinds of land" within the Order Land, such as common land, open space or allotments.
- 6.15 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.

- 6.16 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 203 of the Housing and Planning Act 2016 which authorises interference with such rights where done in accordance with planning permission, subject to the payment of compensation.
- 6.17 In conjunction with the Council, the Developer has spent almost 12 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.
- 6.18 In April 2014, GL Hearn (a leading planning and property consultancy) reported on the viability of the Scheme on behalf of the Council. They concluded that the Scheme was financial viable working on the basis of delivery of all aspects of the Scheme by a single developer. At the request of the Council, in June 2015 GL Hearn were appointed by the Developer to take their evaluation a step further by bringing together the detailed information regarding viability and the approach to funding into a single report and then reviewing and assessing the proposed delivery strategy.
- 6.19 In July 2013, the Council engaged PriceWaterhouseCoopers LLP (PwC) to advise on the prospects for Scheme delivery. The scope of their appointment has included financial and real estate due diligence and reviewing the GL Hearn report and updates to it. The costs, values and other information included in the GL Hearn report have been updated recently to reflect costs and values as at August 2016 and the revised approach to Housing Zone funding, and to include commentary on market sentiment following the EU Referendum vote. The additional information provided by the Developer/GL Hearn has been reviewed by PwC, whose principal conclusions are set out below.
- 6.20 The work carried out by GL Hearn included detailed 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 consider 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.
- 6.21 The Developer proposes to adopt a Master Developer Strategy (MDS) approach to advance the Scheme. Under the MDS, the Developer will enter into development agreements and grant long leasehold interests to house builders/sub-developers in respect of development of individual plots/phases in an ordered manner over the development period. Under this arrangement, the Developer will retain the freehold interest in the plots/phases, with sub-developers developing out and receiving a long lease of the residential elements with the commercial units being handed back to Renewal at nil premium to be held as investments to drive long term revenue or sold. 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.
- 6.22 Under the proposed strategy, the Developer will maintain responsibility for the delivery of the Community Sports Facility (Energize) in Phase 2, 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. The Housing Zone proposals mean the new Overground Station will be delivered through grant funding, enabling additional funds to be applied to more affordable housing in the Scheme.

- 6.23 The MDS approach will significantly reduce the funding requirements placed on the Developer. With an overall programme of approximately 8 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, as is envisaged in the Core Strategy.
- 6.24 The 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. The transfer of construction and residential market risk to a specialist sub-developer also helps to dissipate the delivery risk borne by the Developer.
- 6.25 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, assumptions are also made 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.
- 6.26 PwC's review of the GL Hearn work concludes that:
- The profit on cost and IRR (internal rate of return) assumed to be achieved by the Developer are likely to be acceptable returns to a commercial developer for taking a Master Developer role and initiating a complex development such as the Scheme.
 - The assumed profit allowance for the sub-developers would be acceptable to commercial housebuilders in the current market, immediately post-Brexit, for serviced plots in Greater London with the benefit of outline planning consent.
 - Build costs and sales values, at Aug 2016 on a unit basis, are considered broadly reasonable
- 6.27 The Council considers, on the basis of the GL Hearn work and PwC's review of it, that the Scheme is viable and is likely to be delivered within a reasonable time-scale.
- 6.28 This conclusion is reinforced by provisions contained in the following legal agreements and proposed legal agreement:
- The Conditional Land Sale Agreement between the Council and the Developer 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 the Developer 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 the Developer. There is therefore a strong incentive on the Developer 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 Statement of Reasons, 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 substantial Section 106 contributions, the

cumulative cash flow for the Scheme does not become positive until year 7. This means that, once the Scheme is underway, the Developer will wish to continue to completion in order to achieve the anticipated return on its investment.

- The Borough Intervention Agreement to be entered into with the GLA in connection with the Housing Zone status of the Site, which will accelerate delivery of the new Overground Station on the East London Line and enable development of the first two phases of development (1A and 2) to proceed ahead of schedule delivering 532 homes earlier. The balance of the £20 million funding is expected to be available towards further infrastructure requirements in relation to the Scheme, following due diligence and subject to contract (and therefore the current financial modelling does not take this into account at this stage).
- 6.29 The GL Hearn appraisals have been used to estimate the quantum of deficit/surplus in the master developer's cash flow, and PwC consider the appraisals to have been properly considered and reflect the Developer's development intentions. This cash flow demonstrates a peak funding requirement in year 3 which will need to be met by the Developer, as described below.
- 6.30 The Developer has set up a project company/special purpose vehicle as the delivery vehicle for the Scheme. This is a widely used and recognised approach to large scale project/programme delivery. The Developer does not have sufficient resources to fund the Scheme itself; instead, funding for the project will be provided by the shareholders of the Developer.
- 6.31 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 which will provide the required funding for the development. Funding for the project to date has been provided almost entirely by shareholders, with only circa 18% funded by bank debt provided by RBS. Whilst the Developer has stated that the intention is that future funding from shareholders will be debt in nature and not equity, the option to raise further bank debt exists and may be utilised.
- 6.32 The debt provided by the shareholders is unsecured with no fixed repayment date and has 10% annual interest charges applied to the debt. These assumptions are included in the appraisal modelling. The shareholders are therefore only likely to see their principal investment and interest returned if the Scheme is delivered which is viewed as a strong commercial driver for further investment by them. The Developer and the shareholders have entered into a development and funding agreement, which formalises the long standing arrangement and provides a commitment that the shareholders will provide the necessary funding to deliver the Scheme conditional on the funding being available and the Scheme achieving a 10% development profit.
- 6.33 Sensitivity analysis shows that property prices would need to fall to levels substantially below those assumed for Phases 1A and 2 of the Scheme for a 10% development profit not to be achieved. Whilst such a fall in house prices is not unprecedented, even taking account of the uncertainties created by the Brexit vote it is more likely that there will (if anything) be a gradual reduction in house prices and not a fall of that magnitude. The Developer, in common with other master developers, would also have the option to pause the Scheme until such time as house prices recovered.
- 6.34 IHL is likely to be able to leverage or utilise its balance sheet to cover the initial funding needs to complete the land assembly and the longer term net peak funding requirement in year 3. However, if for any reason the shareholders failed to provide the funding, there are alternative funding strategies for the project. The fact that there would be an assembled site, with Outline Planning Permission/S73 Permission for the comprehensive Scheme, combined with the MDS delivery approach, would make the Scheme generally bankable/fundable. It could be expected in those circumstances that further traditional debt funding would be available to a developer

to meet 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.

- 6.35 Therefore, assessing the scheme on a non-developer specific basis, it is likely that the maximum deficit could be funded by another developer.
- 6.36 In the Council's view, if the comprehensive redevelopment is to come forward within a reasonable time-scale, this is only likely to occur if the Site is assembled with the assistance of CPO powers.

Could the Order purposes be achieved by other means?

- 6.37 The Site is allocated as a strategic site within the Council's Core Strategy. A key requirement of the Core Strategy is that the Site is brought forward for comprehensive development in accordance with a Masterplan. The purpose for which land and rights are proposed to be acquired is to enable the comprehensive redevelopment of the Order Land in accordance with the adopted planning policy framework. The Outline Planning Permission and the S73 Permission encompass comprehensive redevelopment in accordance with those policies.
- 6.38 The CPO Guidance advises that, in deciding whether to confirm an order made under Section 222(1)(a) of the 1990 Act, as is proposed here, one of the factors which the Secretary of State can be expected to consider is whether the purpose for which the order is being made could be achieved by any other means. This may include the appropriateness of alternative proposals put forward by owners of the land, or any other persons, for its reuse, as well as examining the suitability of any alternative locations for the purpose for which the land is being acquired.
- 6.39 The attempts made to acquire the Order land by agreement are addressed in Section 8 of this Statement of Reasons. As is set out in that Section, the Council appointed Strutt & Parker with a view to facilitating discussions between the Developer and the leaseholders of the largest areas of land required for the Scheme – Millwall Football Club (**MFC**) and Millwall Community Scheme (**MCS**). MFC maintains it wishes to carry out development on its own land (**MFC Land**) together with the land leased to MCS (**MCS Land**) and further maintains that it is able to do so consistent with the wider Scheme.
- 6.40 In August 2013, MFC provided the Council with a document prepared by McKay and Partners described as the Millwall Masterplan (**MFC Proposals**) and containing high level proposals in respect of the MFC Land and the MCS Land. Correspondence and discussions took place over a lengthy period both before and after the MFC Proposals were submitted in which the Council repeatedly stressed that in order for the Council to be able to give proper consideration to any proposals, it would require detailed drawings and other information including as to viability and the funding strategy, as well as the delivery mechanism to ensure comprehensive delivery of the wider site consistent with the Council's key regeneration/policy objectives. That information has not been forthcoming, nor has any planning application been submitted by MFC in respect of the MFC Proposals.
- 6.41 As part of their appointment, Strutt & Parker were asked to advise on the MFC Proposals in terms of their viability, deliverability and overall fit within the Council's Core Strategy and regeneration objectives for the area. The Strutt & Parker report raises a number of significant delivery constraints in respect of the MFC Proposals and other implications for the wider Scheme as discussed below. Moreover, Strutt & Parker have examined the viability of the MFC Proposals and conclude that they are unlikely to be viable in isolation.
- 6.42 GL Hearn have also reported on the deliverability implications for the wider Scheme if the MCS Land and the MFC Land were to be excluded. They conclude that not only would removal of the MCS Land and the MFC Land cause a significant negative impact on financial viability of the wider Scheme, it would also result in a significant level of delivery uncertainty relating to land ownership, planning, deliverability and place-making. GL Hearn conclude that in those

circumstances, no developer (including the Developer) would be likely to implement the Scheme. The Council accepts this conclusion.

6.43 The principal deliverability constraints are:

- MFC does not have control of the land required for the Millwall Proposals. The proposals require the MCS Land but MFC has no legal interest in the MCS Land, and in any event the various restrictions under the leases to MFC and MCS and the duration of those leases do not enable the re-development of the landholdings for residential uses.
- The Council has contracted to sell its freehold interest in the MCS Land and the MFC Land around the Stadium to the Developer and is not in a position to deal with that interest.
- The MFC Proposals do not accord with the existing consents which would need to be varied to accommodate them.
- The Core Strategy requires a comprehensive approach across the whole Site in accordance with an approved Masterplan and a delivery strategy which demonstrates how comprehensive development will be delivered. A standalone piecemeal proposal would be contrary to adopted policy and would not provide the transformational development the Council's regeneration objectives require.
- The surrounding land remains in the ownership/control of the Developer. Delivery of key infrastructure and access routes to the edge of the MFC Land and the MCS Land would be required with associated rights/easements. No information has been provided by MFC to the Council or the Developer as to the infrastructure and rights they require for the MFC Proposals and there is no assurance that then MFC Proposals would be brought forward on a timescale which is compatible with the wider Scheme. Infrastructure provision across the wider Site will require phasing, particularly in respect of the ENVAC and SELCHP connections and these will not be able to be delivered by MFC at a later stage in isolation.
- A joint venture arrangement/development agreement or similar agreement would be required between the Developer and MFC. The negotiation of any terms would be extremely complex and time consuming with an uncertain outcome. Leaving aside the key issue of viability, significant issues around key infrastructure and rights, phasing requirements, apportionment of planning obligations and other planning requirements and landowner equalisation arrangements would need to be resolved, creating significant uncertainty and delay and threatening delivery or timely delivery of key regeneration objectives for the Borough.
- As is typical of comprehensive schemes of this nature, profit is not realised until later phases and so such schemes rely on the whole Site to be developed to achieve an acceptable level of viability. The viability of the wider Scheme is dependent on the place-making uplift applied to later phases and as such relies on it coming forward as a whole.

6.44 Given that it owns or controls the majority of the interests in the Site, the Developer is the obvious person to bring forward the Scheme. Not only would removal of separate parcels of land from the currently consented wider scheme render it unviable from a financial and delivery perspective, the separate development of other parcels would be likely to result in piecemeal development, risk the non-achievement of comprehensive development of the Site and thus the regeneration objectives for the Site and surrounding area not being realised. At best it would be likely to lead to substantial delays in the regeneration coming forward. To ensure comprehensive re-development, a very high degree of co-operation would be required between the current owners, even assuming satisfactory terms could be reached, which to-date there has not been.

- 6.45 In all the circumstances, the Council does not consider that the MFC Proposals provide an appropriate means by which the purposes of the Order might be achieved within a reasonable timeframe, nor are there any other alternative, credible development proposals currently proposed or likely to be capable of coming forward and implemented to secure the comprehensive development of the Site within a reasonable timescale without the need for the Order.
- 6.46 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 process of land assembly needs to be completed. There is little prospect of this occurring without the Order.
- 6.47 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, and accessibility and public realm improvements. These planning objectives cannot be realised from any alternative site for this scale of major regeneration
- 6.48 It is therefore considered that the Scheme for which planning permission has been granted is viable, that funding will be available to enable implementation of the Scheme if the Order is confirmed, and that it is likely that the Scheme will be delivered within a reasonable timescale. Consequently, if the Order is confirmed the Council is confident that there will be no impediments to implementation.

7. 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 Appropriate 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 grant 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 The outline 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.
- 7.5 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
- 7.6 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.
- 7.7 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, notably in relation to the type of sports facilities such as the inclusion of a climbing wall and 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 2,600 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

- 7.8 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.

- 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 Ilderton 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 The Developer has been assembling the Site since 2004 and 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 To assist with the land acquisition process, GL Hearn have been jointly appointed by the Council and the Developer to advise on property cost estimates for the compulsory acquisition of interests and to negotiate settlements with landowners and others with an interest in the Order Land. The Council has also written separately to the landowners encouraging them to negotiate with Developer and offering to treat with them and to provide formal valuations if they are unable or unwilling to reach agreement with the Developer. Where the developer is in dialogue with interest holders, or a protected characteristic has been identified, the Developer has offered to pay for independent advice, translation or interpretation for the interest holders.
- 8.3 The Council has also appointed property consultants Strutt & Parker, with part of their brief being to try and bring the Developer and MFC together to see if an agreed position could be reached between the parties which would ensure comprehensive regeneration of the Site.
- 8.4 The Developer has provided the Council with regular reports setting out the details of the extent of and current position on negotiations with landowners, together with copy correspondence undertaken by both the Developer and GL Hearn. The Council is satisfied that the Developer has used reasonable endeavours over a substantial period to acquire the outstanding interests by negotiation. It is continuing and will continue to try and move those negotiations forward with the support of the Council notwithstanding the making of the Order.
- 8.5 The Developer has also submitted a relocation strategy which has been approved by the Council under the S106 Agreement requirements setting out its intentions with regard to continued occupation of the Site by tenants until possession is required and steps taken regarding assistance with relocation. As part of the relocation strategy the Developer has appointed Kalmars, local agents, to assist the remaining interest holders with finding suitable alternative premises. A copy of the approved strategy is appended to this Statement of reasons at **Appendix H**. The S106 Agreement requires the Developer to implement the approved strategy.
- 8.6 At the time of preparation of this Statement of Reasons, some 22 interests (excluding highways land and occupational tenancies where the Developer expects to gain possession without recourse to the Order, utilities interests, land under contract to the Developer and business tenancies of land not currently owned by the Developer) 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.
- 8.7 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.
- 8.8 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. In the event, that

Report was withdrawn and a further letter was sent to landowners on 8 August 2016 advising of Officers' intention to again submit a report to Mayor and Cabinet on 7 September 2016. Again, that letter urged landowner to engage with the Developer or the Council regarding acquisition by agreement of their interest.

- 8.9 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. Existing tenants and owner/occupiers have been informed about the relocation strategy and that Kalmars Commercial Agents have been appointed to assist tenants with finding new accommodation. The Relocation Strategy is published on the New Bermondsey website. 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 not more than six months' notice.
- 8.10 The Developer has actively assisted those tenants who have sought advice on relocation. It has identified vacant industrial space within ½ mile of the Site that is equal to the currently occupied space within the red line boundary of the Scheme and which may provide suitable alternative accommodation. One previous tenant at unit 24 Orion Business Centre signed a new lease with the landlord of the neighbouring Surrey Canal Trade Park following an introduction by the Developer, and has recently relocated there.
- 8.11 In May 2015, the Developer appointed Kalmars Commercial to assist current commercial owners 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 asked to allow GL Hearn to visit their land. To date, of the remaining interests to be acquired, Units 2 and 3 Enterprise Industrial Estate, Units 28, 35 and 38 Bolina Industrial Estate, Unit 11 Orion Industrial Estate and Units 10, 11, 14, 15 and 19 Excelsior Works Industrial Estate have allowed GL Hearn access for an internal inspection. Subsequent valuation reports by GL Hearn have been issued to the landowners as a basis for negotiation. This is with the exception of Units 14, 15 and 19 Excelsior Works where a formal valuation report has not been submitted but negotiations have progressed and GL Hearn's opinion of value has been detailed to the owner's surveyor. The position can be summarised as follows:

Address	Inspected	Comments
Unit 2 & 3 Enterprise	Yes	
Unit 28 Bolina	Yes	
Unit 31 Bolina	No	No response to any correspondence
Unit 32 Bolina	No	No response to any correspondence
Unit 35 Bolina	Yes	
Unit 36 Bolina	No	No response to any correspondence.
Address	Inspected	Comments

Unit 38 Bolina	Yes	
Unit 39 Bolin	No	No response to any correspondence
Unit 11 Orion	Yes	
Unit 10 & 11 Excelsior	Yes	
Unit 14 & 15 Excelsior	Yes	
Unit 17 Excelsior	No	GL Hearn have not been provided access. The Developer has paid for the owner to have their own independent valuation undertaken, but they have refused to share this with GL Hearn or the Developer. The developer has had some success in progressing discussions in that meetings have been held with the owner, but the parties are some distance apart on value.
Unit 18 Excelsior	No	There has been correspondence between GLH and the owner's representatives but a date to inspect has not been established.
Unit 19 Excelsior	Yes	

8.12 The largest remaining interests by area yet to be acquired are those vested in MFC and MCS.

MFC

8.13 Paragraphs 5.37 and 5.38 of this Statement of Reasons set out the content of the Scheme to be delivered on MFC's land. The land is required in order to deliver the wider scheme for which planning permission has been granted, which accords with the Council's regeneration objectives as set out in the Core Strategy and which seeks a comprehensive redevelopment of the Site as set out in Section 4 of this Statement of Reasons. The Core Strategy recognises the importance of MFC and the Stadium to the Borough and it has been made clear to MFC that the Council considers it essential that MFC can continue to operate the Stadium and that appropriate rights will be granted in favour of MFC to ensure that this will happen. MFC has provided information to the Council and the Developer regarding the rights it will require over the land around the Stadium in the event the Order is confirmed and discussions have taken place in relation to the grant of those rights. The Council and the Developer will pursue negotiations with MFC regarding agreement in respect of the rights required.

8.14 Discussions have also taken place between the Developer, MFC and the Council over a number of years in relation to the acquisition of MFC's leasehold interest in the land around the Stadium. The Developer has submitted a formal offer to MFC for that interest, but MFC has so far remained unwilling to negotiate any agreement for the surrender of its interest, maintaining that its wishes to itself redevelop the land around the Stadium (including the land leased to MCS) in a manner consistent with the Scheme. The issues arising in respect of the MFC Proposals are addressed in paragraphs 6.41 to 6.45 above.

- 8.15 In an effort to facilitate discussions between MFC and the Developer, the Council appointed Strutt & Parker to act as an intermediary with the aim of bringing the parties together to see if an agreed position could be reached which would ensure comprehensive regeneration of the Site. Discussions have been held during which MFC confirmed that its aim in seeking to develop the MFC Land and the MCS Land is to secure an ongoing revenue stream to support the operation of the football club. To-date, however, no agreement has been reached between the parties with a view to achieving that aim.
- 8.16 More broadly, the Developer has made its position clear to MFC via Strutt & Parker that:
- It does not consider there is a realistic prospect of MFC bringing forward its own proposals on the MFC Land and the MCS Land;
 - The regeneration should be led by the Developer who has made considerable investment in the Site over the last 12 years and has demonstrated its commitment to the Scheme which it is in a position to deliver;
 - It is not prepared to contemplate any joint venture with MFC, having concluded after 9 years of dealings that the respective organisations' vision, objectives and philosophy are not compatible.
- 8.17 The Developer has, however, committed to working to find a financial solution with MFC and believes that progress could be made if MFC respond to the Developer's formal offer regarding a surrender of the lease of the MFC Land and that if MFC quantifies the level of an on-going revenue stream it requires. The Council will continue to assist with efforts to progress discussions between the parties.

MCS

- 8.18 With regard to MCS's leasehold interest, the Council and the Developer have engaged in negotiations with MCS regarding the Heads of Terms for the surrender of MSC's interest in the Lions Centre and subsequent relocation to the new sports facilities (Energize) within Phase 2 of the Scheme. A series of meetings has taken place between the Council, the Developer and a representative from the MCS Board of Trustees to discuss surrender of their lease and the relocation of MCS to Energize. The Council has also funded legal advice to enable MCS to conclude negotiations. Agreement has previously been reached on Heads of Terms, subject to agreement as to the level of compensation, the management model of Energize to which MCS would relocate and the costs to rent the office and storage space within that new facility. Following a pause in negotiations, the parties are again in dialogue.
- 8.19 Efforts will continue to be made by the Developer, supported by the Council, to acquire the remaining interests by agreement and any interests acquired by private treaty if achieved prior to confirmation of the Order will be the subject of a request made that the Order be not confirmed in respect of such interest.
- 8.20 Negotiations with MFC and MCS and other landowners will continue in parallel with the Order process, as encouraged by the CPO Guidance, and efforts will be made to reach agreement for disposal of their interests to the Developer or the Council. Negotiations will also continue with MFC regarding the grant of appropriate rights being reserved to MFC in respect of the land around, and required for continued operation of, the Stadium.
- 8.21 Updated details as to the position regarding acquisition will be provided in due course.

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 1970s and 1980s as part of a previous package of funding for economic development. The industrial estates 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 Site is within the New Cross Ward which is one of the most deprived wards in the Borough and one of the most deprived areas in London and the UK with deprivation particularly acute in terms of crime, unemployment, health, housing, income and living environment (see paragraph 7.6 of Appendix K). 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. SSA3 within the Core Strategy identifies the Site for comprehensive mixed use development and sets out specific requirements for a comprehensive phased approach to re-development. 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 purposes for which the Order Land is required meet the objectives of the London Plan, the Core Strategy and the NPPF and fit within the adopted/applicable planning framework for the area within which the Order Land and the Site are situated. It is against this background that the Outline Planning Permission and the S73 Permission were 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 are, in summary:
- The regeneration of a deprived area;
 - Approximately 2,400 new homes of a variety of types and tenure, including affordable housing;
 - Approximately 1,500 new permanent jobs plus 470 temporary construction 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 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 Following the making of the Order, 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 purposes 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 6.37 to 6.47 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 10 of this Statement of Reasons, the Council has had 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 Article 8 provides that everyone has the right to respect for his private and family life, his home and his correspondence. The right is qualified to the effect that there should be no interference with the right except in accordance with the law and as necessary in a democratic society in the interest of the economic well-being of the country, protection of health and the protection of the rights and freedoms of others. Article 1 of Protocol 1 provides that every natural or legal person is entitled to the peaceful enjoyment of his possessions. Again the right is qualified to the effect that no one is to be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law. Further, the right does not in any way impair the right of a state to enforce such laws as it deems necessary to control the use of property in accordance with the general interest.
- 10.6 As qualified rights, interference with the Article 8 and Article 1, First Protocol rights is permissible only if what is done has its basis in law, is done to secure the permissible aim set out in the relevant Article (for present purposes, economic wellbeing (Article 8) or the public interest (Article 1)) and is necessary in a democratic society. The interference must pursue the legitimate aim and be proportionate to the aim being pursued. In determining the level of permissible interference, the courts have held that any interference must achieve a fair balance between the general interests of the community and the protection of the rights of individuals – there must be reasonable proportionality between the means employed and the aim pursued. The availability of an effective remedy and compensation to affected persons is relevant in assessing whether a fair balance has been struck. Case law in a CPO context has determined that there is no requirement to set out in any formulaic way the extent to which individual human rights are interfered with and that the necessary human rights balancing exercise is encompassed by the test of a compelling case in the public interest.
- 10.7 The Order if confirmed will result in the taking of property and the rights of persons occupying the Site will be interfered with. The nature of the properties/occupations involved is set out elsewhere in this Statement of Reasons. The Council considers that the interference is

necessary in the interests of the economic well-being of the country (in the terms set out in Article 8), is in the public interest (in the terms set out in Article 1, Protocol 1 rights).

- 10.8 In coming to this conclusion, the Council has carefully considered the balance to be struck between individual rights and the wider public interest and have also had regard to the alternative means of securing the redevelopment of the Order Land and the associated regeneration of the area. The Council has concluded the interference is proportionate when weighed against the significant concomitant economic, social and environmental benefits which will be delivered by the Scheme for the Borough and the wider community as set out in this Report, the draft SoR and the Regeneration and Equalities. Compensation will be payable in accordance with the law including compensation for property on the basis of the market value of the interest acquired, together with disturbance, statutory loss payments and where appropriate home loss payments.
- 10.9 In all the circumstances, 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 and 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.

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11. REGNERATION AND EQUALITIES STATEMENT

11.1 A Regeneration and Equalities Statement has been produced. A summary of the key findings are detailed below and the full copy of the document can be found at **Appendix K**. This sets out:

- the regeneration effects of the Scheme on the local and wider area, particularly in terms of increasing housing provision as well as social, community and economic opportunities that will redress local deprivation and inequalities; and
- how the development, which gained Outline Planning Permission in 2012 (and the S73 Permission in 2015), and the proposed compulsory purchase of land, has taken due account of any potential impact on equalities groups as stipulated by the Equality Act 2010.

Problems of deprivation

11.2 North Lewisham, and New Cross ward in particular, currently face a number of serious socio-economic inequalities (including unemployment, low skills and qualification attainment, health inequality, issues of housing affordability and overcrowding and an inaccessible, poor physical environment) that need co-ordinated intervention to redress.

How the Scheme will address deprivation

11.3 The Scheme represents an opportunity to address the 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, as well as regionally-significant sports facilities provision, provision of other community facilities and improved public realm improvements, can provide major benefits to existing residents as well as future occupiers. The Scheme will help to redress a number of aspects of social inequality and deprivation for groups that are particularly vulnerable, promote social inclusion, and help to foster good relationships between people.

11.4 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;
- Facilitating a new Overground station on the East London Line in the south-east corner of the site;
- Creating around 1,500 new permanent jobs, plus 470 temporary construction jobs and new business space through private sector investment in growing sectors, and contributing to a new growth hub for North Lewisham;
- Connecting with the wider economy in central London through attracting new visitors and residents and retaining spending in local businesses and services;
- Supporting local residents with employment and training packages tailored to address specific needs, so that residents can take advantage of additional local jobs 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 an attractive new neighbourhood, 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 access to community facilities in an active environment.

Equality and protected characteristics

- 11.5 In undertaking a major development, including compulsory purchase, it is critical to identify any potential disproportionate effects of the process on people as a result of any protected characteristics they may have (as defined by the Equality Act 2010). If a disproportionate effect is identified as a result of protected characteristics, effects should be assessed and mitigated to redress imbalances.
- 11.6 Each element of the Scheme and the compulsory purchase process has been assessed with protected characteristics in mind, with mitigation and monitoring identified where appropriate, and set in the context of the overwhelming public benefit gained from the development.

Existing Live/Work Premises

- 11.7 The Developer and the Council have engaged with the owners/occupiers of the two live/ work units (one of which is occupied and one of which is understood to be currently unoccupied) throughout the planning application and consultation programme, and have engaged in discussions regarding the proposed development and the Order as required by the compulsory purchase process.
- 11.8 Through this engagement, the Developer has been able to ascertain the protected characteristics of any occupiers that have the potential to lead to an adverse effect from the process, and develop measures to ensure that the process does not discriminate against owners/occupiers on this basis. The actions taken are detailed at Appendix K.

Existing Businesses

- 11.9 The Developer manages all of the existing units in-house and have made a policy of informing all of the existing tenants of the planning application process, and the likely timescales for the relevant phase that their units fall within to ensure that they can manage their business and property matters.
- 11.10 The Developer recognises that some protected characteristics of business owners could have the potential to unfairly affect their ability to engage with the Order, compared to those without those protected characteristics. The Developer and the Council have been able to identify protected characteristics and tailor correspondence and activities to ensure that no tenant is unfairly treated as a result of these characteristics.
- 11.11 The specific process undertaken by the Developer in consulting and engaging with tenants, identifying and managing the process and risks in terms of protected characteristics, and acting on information to ensure protected characteristics are taken into account in the designing of mitigation are outlined at Appendix K.
- 11.12 As such, the effect on protected groups is likely to avoid inequality in decision making, meet legislative standards for compulsory purchase, and offer support in finding appropriate replacement workspace.

Housing

- 11.13 At present, the local area faces problems in terms of overcrowding, a long housing waiting list and unaffordability. Access to affordable, decent standard housing is essential for building sustainable communities and reducing pressure on housing waiting lists, offering more housing

opportunities for vulnerable groups (e.g. older people, younger people, low-income households) who are disproportionately affected by housing need.

- 11.14 The approved range of dwelling sizes and tenure mix (private, intermediate and social rented) and commitments to meeting accessibility standards, and the 10% provision of wheelchair accessible and easily adaptable housing – provide a positive benefit in terms of housing accessibility and accords with requirements of the Core Strategy and housing policies in the London Plan.

Tenures and Allocation

- 11.15 Social rented units in a range of sizes will be provided within the Scheme, with the allocation of these dwellings subject to the usual legal protections on equalities as applied by the Council or commissioned housing management company under the Housing Act and Lewisham's Housing Allocation Scheme Policy (October 2012). Housing allocations in the Borough are intended to prioritise vulnerable groups including people with medical needs and disabilities, or those moving due to racial, sexual or other harassment.

Employment

- 11.16 The needs of unemployed and economically inactive local residents differ from other areas, partly due to the local demographic profile. Within the local area there are a higher number of students, a younger population with shorter duration of job seeker allowance claims, and a different profile of occupational skills, including between men and women, compared to other areas.
- 11.17 Some protected groups may be unevenly represented in terms of barriers to accessing work, skills and qualification level, language and cultural factors, family requirements and need for flexible and/or part-time working.
- 11.18 When the Scheme is operational, with a mixture of retail, commercial, hospitality, community and healthcare uses, it will offer a range of different jobs with different skill levels, including many opportunities for local people requiring entry-level jobs. It is anticipated that there will be around 2,000 new permanent jobs created by the development, compared to 366 currently on-site.
- 11.19 The retail and hotel floorspace will be particularly important for local employment and addressing local deprivation as it will provide many opportunities that are suitable for people without high level qualifications.
- 11.20 Additionally, the proposals include a Section 106 commitment, to fully participate in the Local Labour and Business Scheme, and to achieve a target of at least 50% employment of local people and businesses through a Local Employment Strategy which sets out reasonable endeavours to promote and recruit employees, contractors and suppliers from the Borough during the construction and operational phase of the Scheme to ensure that benefits are felt locally.
- 11.21 As such, the proposals offer significant benefit to protected groups through the creation of jobs that meet skills and operational needs, and these benefits are ensured and enhanced through committed brokerage schemes tailored to local 'hard to reach' groups.

Community and Stakeholder engagement and consultation activities

- 11.22 The Statement of Community Engagement (February 2011) which supported the planning application highlights the diversity of the area.
- 11.23 As a company founded and based in the local area, the Developer recognises the importance of placing the local community at the centre of the Scheme. As part of the planning application in 2011, and since the Outline Planning Permission was granted, the Developer has carried out extensive, open, transparent and inclusive consultation and engagement over a number of

years both in respect of the policies and principles underpinning the Scheme through to detailed proposals. The consultation was led by the socio-economic profile of the local community in order to maximise the incorporation of views and concerns of groups and people with protected characteristics, who can be hard to reach.

- 11.24 To monitor the equalities requirements of interest holders and their representatives and any changes to their requirements over time, the Developer is in on-going and regular contact with all remaining interest holders through a range of media and on at least a quarterly basis.
- 11.25 As information on protected characteristics is gained, the Developer and the Council can (and have) worked with people to identify the best way to manage the process in respect of any protected characteristics identified. Full details are outlined in relevant parts of section 4, Appendix K.
- 11.26 The Statement of Community Engagement (February 2011) also includes the full list of all meetings and events held as part of the pre-application process.
- 11.27 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

- 11.28 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.
- 11.29 The Scheme will bring forward jobs and business space, homes, and community facilities including regionally significant sports facilities, within a well-designed publicly accessible environment. This could lead to an overwhelming public benefit and help to transform the area and improve the quality of life of existing and future residents, including by redressing a number of aspects of social inequality and deprivation that exist here for groups that are particularly vulnerable.
- 11.30 In undertaking a major development, including the compulsory purchase process, it is critical to identify any potential disproportionate effects of the process on people as a result of any protected characteristics they may have (as defined by the Equality Act 2010). These effects should be assessed and mitigated to redress imbalances, if a disproportionate effect is identified as a result of protected characteristics.
- 11.31 The Scheme will necessitate the removal of two live/work units, although one of these is understood to be currently unoccupied. Through consultation, the Developer has been able to identify protected characteristics that may be affected by the process and develop and agree processes to alleviate any undue adverse effects related to these characteristics.
- 11.32 The Scheme will create a significant uplift in homes (up to 2,400), including affordable homes, helping to alleviate problems faced by residents in terms of accessing homes – and particularly affecting some groups with protected characteristics. The new homes will be designed to be accessible, meet Lifetime Homes standards as a minimum, and 10% will be wheelchair accessible.
- 11.33 A number of business units will need to be removed from the site through the Order. This process will have a long lead-in time given the phasing of the Scheme, and all affected businesses will be given help in finding new premises via a Relocation Strategy⁶. The

⁶ The Developer will take into account any identified protected characteristics that would affect the level to which the Relocation Strategy and other mitigations would be effective – for example, users may prefer face-to-face meetings rather than accessing a website, or require information in alternative languages, and/or require their customer base to be informed in an alternative language. The Developer will

Developer and the Council have taken steps to understand how the consultation process and the mitigation strategies would need to be tailored to ensure that they do not discriminate against people with protected characteristics.

- 11.34 The uplift of approximately 1,500 operational jobs and 470 construction jobs created by the development represents 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, the Developer and the Council have committed to local employment and brokerage schemes to maximise the employment benefits for local people.
- 11.35 The Scheme will also bring forward a significant offer in terms of community facilities. 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.
- 11.36 The design and accessibility improvements will provide 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.
- 11.37 The re-development of the Site will 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).
- 11.38 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.
- 11.39 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.

continue to engage with tenants to ensure the most appropriate course of action is taken

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](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 –Kpolm Lotsu or Tim Chaudhry

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 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.

APPENDIX A - LOCATION MAP

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APPENDIX B - ORDER MAP⁷

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⁷ Note: Map to be as per Order Map when CPO made.

APPENDIX C - SCHEME LAYOUT (ILLUSTRATIVE)

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APPENDIX D - PHASING PLAN

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APPENDIX E - LAND OWNERSHIP PLANS⁸

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⁸ Note: Not attached. The plans will be as per the ownerships when the CPO is made.

APPENDIX F - PLANNING POLICIES

1. To include:
 - 1.1 Lewisham Core Strategy (June 2011)
 - 1.2 Lewisham Development Management Local Plan (November 2014)
 - 1.3 London Plan Consolidated with Alterations since 2011 (March 2016)
 - 1.4 National Planning Policy Framework
 - 1.5 National Planning Policy Guidance
 - 1.6 Mayor of London's Transport Strategy (2010)
 - 1.7 Mayor of London's Housing Strategy (2014)
 - 1.8 Mayor of London's Air Quality Strategy (2010)
 - 1.9 Mayor of London's Biodiversity Strategy (2002)
 - 1.10 Mayor of London's Economic Development Strategy for London (2010)
 - 1.12 Mayor of London's Energy Strategy (2004) and draft Climate Change Mitigation and Energy Strategy (2010)
 - 1.13 Mayor of London's Securing London's Water Future (2011)
 - 1.14 Mayor of London's Sustainable Design and Construction SPG (2014)
 - 1.15 Mayor of London's London View Management Framework SPG (2012)
 - 1.16 Mayor of London's Accessible London – Achieving an Inclusive Environment SPG (2014)
 - 1.17 Mayor of London's Play and Informal Recreation SPG (2012)
 - 1.18 Mayor of London's Planning for Equality and Diversity in London SPG (2007)
 - 1.19 Mayor of London's Land for Industry and Transport SPG (2012)
 - 1.20 Living Roofs and Walls – Technical Report Supporting London Plan Policy (2008)
 - 1.21 Mayor of London's The Control of Dust and Emissions during Construction and Demolition SPG (2014)
 - 1.22 Mayor of London's Social Infrastructure (2015)
 - 1.23 Mayor of London's Housing Strategy (2015) and Draft Interim Housing SPG (2015)
 - 1.24 Lewisham Residential Development Standards SPD (2006, updated 2012)
 - 1.25 Lewisham Planning Obligations SPD (2015)
 - 1.26 Lewisham Strategic Housing Market Assessment 2014
 - 1.27 Lewisham Open Space Strategy (2012-2017)
 - 1.28 Lewisham Tall Buildings Study (2012)

- 1.29 Millwall Building Heights Assessment (2010)
- 1.30 Hatcham Conservation Area Appraisal (2006)
- 1.31 Tall buildings, Historic England Advice Note 4 (2015)

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APPENDIX G - LAND INTERESTS TO BE ACQUIRED⁹

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⁹ Note: Not included. The final table will reflect position regarding interests remaining to be acquired when CPO made.

APPENDIX H – RELOCATION STRATEGY

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APPENDIX I - NEW CROSS WARD PROFILE

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APPENDIX J - HERITAGE ASSETS

(within 1km of the boundary of the Site)

Archaeology
Undesignated archaeological deposit
Listed Buildings
Church of St Augustine, Lynton Road (Grade II*) (Southwark)
Former Vicarage of above Church (Grade II) (Southwark)
3-41 New Cross Road (Grade II)
Southwark Park School (Grade II) (Southwark)
Former Clare College Mission Church (Grade II) (Southwark)
Licensed Victuallers Benevolent Institute (Grade II) (Caroline Gardens) (Southwark)
10, 1-100, 101-110 111-176 Asylum Road (Grade II) (Southwark)
North and South Lodge, Railings and Gates 12 and 14 Asylum Road (Grade II) (Southwark)
326 to 332 and 302-304 Commercial Way(Grade II) (Southwark)
720 Old Kent Road (Grade II) (Southwark)
The Kentish Drovers PH (Grade II) (Southwark)
Charlton Cottages, 6-8 and 10-12 New Cross Road (Grade II)
880,882 and 884 Old Kent Road (Grade II)
32 and 34 New Cross Road (Grade II)
24-54 and 56 Kender Street (Grade II)
96 New Cross Road (Grade II)
The Five Bells PH, 115 New Cross Road (Grade II)
K2 Telephone Kiosk, Monson Road (Grade II)
2-9 (con) Canal Grove (Grade II) ??
Gas standard light (Grade II) (Southwark)
Statue of George Livesey, Old Kent Road (Grade II) (Southwark)
Camberwell Public Library/Livesey Museum (Grade II) (Southwark)
Registered Park and Garden
Southwark Park (Southwark)

Conservation Area
Hatcham Conservation Area
Non Listed Buildings of Local Interest
Victorian Chapel, Ilderton Road (east side) (Southwark)
Victorian School buildings, Ilderton/Verney Road (Southwark)
Slipper Baths, Ilderton/Stockholm Road (Southwark)

Notes:

The Environmental Statement (ES) submitted with the outline application [and updated for the Section 73 application] identifies the regeneration and community benefits that would come from the proposals as mitigation for the identified built heritage adverse effects. Taking account of these perceived benefits, the assessment identifies the following residual effects on built heritage assets during the construction and operation phases:

- Grade II* Listed Buildings – Minor adverse/Neutral;
- Grade II Listed Buildings – Minor adverse;
- Conservation Areas - Minor adverse;
- Registered Parks and Garden (Southwark Park) – Minor adverse; and
- Non listed buildings of local interest – Minor adverse.

No cumulative effects are identified during the construction phase. The proposed scale of the nearest major consented schemes (Silwood Estate, 763 Old Kent Road and Grinstead Road) are considered to limit any cumulative effect. The increase in construction traffic is identified, but it is not considered that this would have a significant effect on heritage assets because of its temporary nature. No significant cumulative adverse effects are therefore identified.

APPENDIX K- REGENERATION AND EQUALITIES STATEMENT

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APPENDIX L - DOCUMENTS TO BE REFERRED TO

1. PLANNING POLICY

- 1.1 Lewisham Core Strategy (June 2011)
- 1.2 Lewisham Development Management Local Plan (November 2014)
- 1.3 London Plan Consolidated with Alterations since 2011 (March 2016)
- 1.4 National Planning Policy Framework
- 1.5 National Planning Policy Guidance
- 1.6 CIL Regulations 2010
- 1.7 Mayor of London's Transport Strategy (2010)
- 1.8 Mayor of London's Housing Strategy (2014)
- 1.9 Mayor of London's Air Quality Strategy (2010)
- 1.10 Mayor of London's Biodiversity Strategy (2002)
- 1.11 Mayor of London's Economic Development Strategy for London (2010)
- 1.12 Mayor of London's Energy Strategy (2004) and draft Climate Change Mitigation and Energy Strategy (2010)
- 1.13 Mayor of London's Securing London's Water Future (2011)
- 1.14 Mayor of London's Sustainable Design and Construction SPG (2014)
- 1.15 Mayor of London's London View Management Framework SPG (2012)
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- 1.18 Mayor of London's Planning for Equality and Diversity in London SPG (2007)
- 1.19 Mayor of London's Land for Industry and Transport SPG (2012)
- 1.20 Living Roofs and Walls – Technical Report Supporting London Plan Policy (2008)
- 1.21 Mayor of London's The Control of Dust and Emissions during Construction and Demolition SPG (2014)
- 1.22 Mayor of London's Social Infrastructure (2015)
- 1.23 Mayor of London's Housing Strategy (2015) and Draft Interim Housing SPG (2015)
- 1.24 Lewisham Residential Development Standards SPD (2006, updated 2012)
- 1.25 Lewisham Planning Obligations SPD (2015)
- 1.26 Lewisham Strategic Housing Market Assessment 2014

- 1.27 Lewisham Open Space Strategy (2012-2017)
- 1.28 Lewisham Tall Buildings Study (2012)
- 1.29 Millwall Building Heights Assessment (2010)
- 1.30 Hatcham Conservation Area Appraisal (2006)
- 1.31 Homes and Communities Agency's Investment and Planning Obligations – Responding to the Downturn Good Practice Note (2009)
- 1.32 Tall buildings, Historic England Advice Note 4 (2015)
- 1.33 EIA Scoping Opinion July 2010 (ref: DC/10/74106)
2. **REGENERATION COMMUNITY POLICY**
 - 2.1 'People, prosperity, place': Lewisham's Regeneration Strategy 2008-2020
 - 2.2 'Shaping our future': Lewisham's sustainable community strategy 2008-2020
 - 2.3 Lewisham's Asset Management Plan
3. **GOVERNMENT GUIDANCE**
 - 3.1 Guidance on Compulsory purchase process and The Crichel Down Rules for the disposal of surplus land acquired by, or under the threat of, compulsion (DCLG, October 2015)
4. **PLANNING PERMISSIONS/AGREEMENTS**
 - 4.1 Outline Planning Permission 30 March 2012
 - 4.2 S73 Permission 18 December 2015
 - 4.3 Section 106 Agreement 30 March 2012
 - 4.4 Section 106 Agreement 18 December 2015
5. **OTHER EVIDENCE/INFORMATION**
 - 5.1 Equalities Impact Assessment
6. **COUNCIL CABINET AND COMMITTEE PAPERS**
 - 6.1 **Cabinet Papers**
 - 6.1.1 Agenda, Report and Minutes – [] 2016
 - 6.1.2 Agenda, Report and Minutes – 12 March 2012
 - 6.2 **Strategic Planning Committee Reports**
 - 6.2.1 Agenda, Report and Minutes – 13 October 2011
 - 6.2.2 Agenda, Report and Minutes – 13 December 2013
7. **CONSULTATIONS**

- 7.1 Exhibitions, workshops, consultation reports etc
- 7.2 Consultation in relation to the outline planning application
- 7.3 Consultation in relation to the Section 73 application
- 7.4 Miscellaneous correspondence and consultation documentation

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