

In accordance with the requirements of Circular 1/97 obligations will be related to the needs and demands generated by the development and to the viability of providing them.

Individual developer obligations will fall into three categories of requirement:

- **Those requirements that are essential to the development of each individual site.** Such requirements will include the provision of on site affordable housing; the mix of uses, including the provision of on site social, cultural and leisure uses; the layout and treatment of on site public open space, public realm and private space; the provision for public art; the arrangements for public access, car and cycle parking, on site signage, street furniture, lighting etc and compliance with sustainability and recycling targets set as part of the Framework process.
- **Essential off site works.** Works will include highway improvement works and the provision of new and improved facilities for pedestrian and cyclists; the provision of new and the upgrading of existing public spaces; and environmental improvement works associated with the public realm.
- **Financial contributions.** These will include financial & other contributions to area wide facilities and benefits that may include the items under 8.2 above.

The delivery of each of the above is considered essential to the successful regeneration of the Elephant & Castle.

The Council's expectations in relation to the essential on and off site works will be developed in consultation with applicants bringing forward developments within the Framework area (core area of opportunity and wider regeneration area).

The obligations in terms of the Financial Contributions are concerned with area wide regeneration needs and benefits. The Council considers this element of the regeneration programme to be essential in terms of ensuring that the existing and future populations of the Elephant & Castle are in a position to benefit and take advantage of the redevelopment proposals.

The Council will want to ensure that these obligations are placed equitably with all landowners and developers through the period of the Framework and for the level of contribution to flow directly from the impact of a particular development proposal.

In view of the above and based on the current list of requirements, the Council proposes to produce further guidance in the form of an area-wide Framework for contributions. This part of the Framework will address the issue of off site Financial Contributions to area wide infrastructure and facility provision and non-infrastructure regeneration benefits and it will provide further guidance in relation to:

- The proposed works.
- The timing and phasing of such works.
- The potential cost of the works.
- The method of calculating the likely levels of contribution in relation to an individual development proposal.
- The timing and process of delivery of the proposed works.
- The process of negotiating individual contributions, including the off-setting of major on-site works.

The production of this guidance will require the Council to undertake further work in relation to:

- The phasing of development.
- The impact such development will have upon the existing social, economic and transport infrastructure.
- The requirements of the particular service providers, including the Primary Care Trust, Police, Education Authority, Housing Department and transport operators.
- The availability of funding from other public sector sources.
- The content of the Area Based Improvement Strategies.
- The cost of upgrading the existing and providing new infrastructure to support the levels of new development envisaged.

It is intended that this further guidance will provide a list of priorities and overall cost. It will also outline the method of calculating levels of individual contribution and the process of delivering the priorities for regeneration.

The guidance will be used as a basis for negotiating individual obligations and delivering social/economic benefits as required.

It is envisaged that this guidance document will evolve over time in response to particular development proposals, the changing needs and aspirations of the population and the levels of external funding. This will provide sufficient flexibility to enable funds generated through section 106 contributions to be directed towards particular needs as they arise.

The Council accepts that this proposed flexible mechanism will require some form of joint decision making structure that will allow developers and the Council to debate and agree funding priorities and influence spending decisions once the level of individual contribution has been defined and paid. This issue of decision making is discussed below.

8.3 Decision making structures: establishment of a regeneration partnership

The redevelopment of the Elephant & Castle will take up to 15 years and will involve a number of different landowners, developers, public sector partners and interested parties. In addition priorities will change over time as will the sources and levels of match funding.

As described above the Council proposes to generate funding, in part through the Section 106 process to pay for a variety of essential infrastructure, facilities and regeneration initiatives that will be required as a result of the development.

As discussed above guidance will be used to help individual developers to assess the likely level of individual contribution. Once contributions have been paid they will either be directed towards projects predetermined as a result of the Guidance or will be placed within a regeneration 'pot' to be directed towards a series of regeneration initiatives and projects in the Framework area that remain to be defined and fleshed out in the future.

In relation to this regeneration 'pot' there is a desire on the part of the Council to retain flexibility over time in relation to certain initiatives and projects. This will in turn enable funds to be more responsive and directed towards needs generated as a result of the redevelopment process and to match these funds to other public funding initiatives as and when they arise.

In view of the Council's desire to retain a certain degree of flexibility in respect of the contributions there will be a need, in respect of these more flexible initiatives/benefits for some form of joint decision making body to determine how funds should be spent.

In this regard the Council proposes, as a requirement of the Section 106 process relating to the core area of opportunity, to establish a new Regeneration Company. This Company will be responsible for the delivery of certain benefits identified as part of the Framework for Contributions. These benefits are likely to include training, business development, public realm works, the provision of certain social/sports facilities etc.

It is envisaged that the Company will comprise representatives from the London Borough of Southwark, landowners, developers, local residents, Housing Associations, the Education establishments and other public sector bodies (LDA, GLA and Elephant Links).

The creation of this Company will be a condition of the sale of the Council's land. The objectives of the Company, its status, structure, staffing, funding and roles and responsibilities will be defined as part of the procurement process. Developers advancing proposals within the Framework Area will be invited to be Partners in such a company.

8.4 Use of compulsory purchase powers

The Framework is intended to encourage participation in the regeneration process by third party landowners and developers and for them to bring forward development proposals that help the Council to realise its vision for the Elephant & Castle. Indeed as part of the process the Council has already discussed a number of emerging

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proposals on key sites including the London Park Hotel, Castle House, a number of sites situated in the northern part of Walworth Road, adjacent to the railway viaduct and the triangle site on Newington Causeway.

There will, however, be a number of sites which are essential to the achievement of the objectives defined in the Framework and where full land assembly will be required especially where individual owners may be reluctant to participate. In such circumstances the Council propose to use its compulsory purchase powers.

8.5 Partner procurement

In respect of the land in Council ownership the Council proposes to involve a development partner/partners. In pursuit of this aim the Council published a prior information notice in summer 2002, under the provisions of the EU Procurement Directive. This notice identified two separate strands of procurement.

The first relates to the development of the early housing sites and the second relates to the selection of commercial partner(s) to help facilitate the development of the core site and its associated infrastructure.

Discussions are being progressed with the RSL sector and with commercial developers and investors. It is anticipated that reports in relation to the preferred procurement process in respect of the early housing sites and the commercial development partner will be brought back to committee early in 2004.

8.6 Early housing

Consultation within these localities commenced as a consequence of the Executive decision dated 11 February 2003. This process will help to establish priorities for measures to be undertaken in parallel with the proposed Housing Developments. Subject to the outcome of this consultation process these Area Based improvements may include open space enhancements, public safety measures and early investment in schools, and a range of environmental and public facility upgrades.

8.7 Programme (preliminary)

- Step 1: Emerging framework principles, (endorsed by Executive December 2002)
- Step 2: Relocating Heygate tenants, (endorsed by Executive February 2003)
- Step 3: EEC: Framework for Development (Part 1) (Draft for Consultation) (endorsed by Executive April 2003)
- Step 4: Public consultation. (June to September 2003)
- Step 5: Report back/publish summary responses. (January/ February 2004)
- Step 6: A Development Framework for the Elephant & Castle. Draft SPG endorsed by Committees (January/ February 2004).
- Step 7: Production of a Framework for Contributions (Spring 2004).
- Step 8: A Development Framework for the Elephant & Castle., adopted as SPG (Spring 2004).
- Step 9: Development procurement partner processes, (Early housing & Core Area of Opportunity (commence Spring 2004).
- Step 10: Production of Area Based Improvement Strategies (Spring 2004).
- Step 11: Select partner(s) (Late 2004).