



# ONE BLACKFRIARS

REGENERATION STATEMENT



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**One Blackfriars**  
**Regeneration Statement**

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## LIST OF ABBREVIATIONS

Abbreviation	Title
AOD	Above Ordnance Datum
BBLB	Borough, Bankside and London Bridge
BLCF	Building London Creating Futures
BME	Black and Minority Ethnic
CER	Community Engagement Report
CGETI	Camberwell Grove Employment and Training Initiative
CIL	Community Infrastructure Levy
EIA	Environmental Impact Assessment
FTE	Full Time Equivalent
GEA	Gross External Area
GLA	Greater London Authority
GVA	Gross Value Added
IMD	Index of Multiple Deprivation
LB Southwark	London Borough of Southwark
LDF	Local Development Framework
LSOA	Lower Super Output Area
NEET	Not in Employment, Education or Training
NHB	New Homes Bonus
NIA	Net Internal Area
NPPF	National Planning Policy Framework
OA	Opportunity Areas
PPS	Planning Policy Statements
PTAL	Public Transport Accessibility Level
RSL	Registered Social Landlord
S106	Section 106
S278	Section 278
SOA	Super Output Area
SPD	Supplementary Planning Document
TfL	Transport for London

## **EXECUTIVE SUMMARY**

One Blackfriars Road is a 0.67 hectare site located in the Bankside area, close to the south bank of the River Thames in the London Borough of Southwark (LB Southwark). The Site is bounded by Blackfriars Road, Stamford Street, Rennie Street and Upper Ground. In 2003 The Site was cleared and has now been vacant for almost ten years. St George South London ('The Applicant') is seeking planning permission for a high profile mixed use development which supports and strengthens the Implemented Permission. This Regeneration Statement accompanies the New Application in recognition of The Site's strategic importance, and aims to identify the regenerative impacts of the Proposed Development.

The socio-economic context of The Site presents significant opportunities but also demonstrates challenges that the Proposed Development seeks to address, including pockets of deprivation amongst the local population and a stalling of regeneration and development in the vicinity due to the recent challenging economic climate. A review of relevant planning policy demonstrates that the Proposed Development is highly suitable for The Site and location, and would contribute directly and significantly to LB Southwark's policy targets.

The Proposed Development will contribute significantly to the regeneration of the local area, generating significant economic, social and environmental benefits during both the construction phase and the operational phase. These include:

- Delivering the landmark development located at a strategically important gateway to LB Southwark;
- A high quality public realm, including a new Public Square ('Blackfriars Place') at ground level, and other amenity benefits such as a managed access viewing lounge on the 32nd floor;
- Improvements to the Blackfriars Road either through a Section 278 Agreement or Section 106 contributions, providing a catalyst for a step change in the quality of the urban realm in line with TfL and LB Southwark's vision for the Blackfriars Road Boulevard;
- The buildings have achieved a 'Building for Life' Gold Standard (17.5/20). This is indicative of architectural design which meets and exceeds the high standards befitting this strategically important site and a world class city;
- 274 high quality new homes, contributing to the target of 1,900 new build homes in BBLB from 2011 to 2026 set out in the LB Southwark LDF, as well as a contribution towards the provision of new affordable homes;
- Contributions to the provision and improvement of local social infrastructure through the Section 106 Agreement which subject to confirmation will likely include community facilities and projects,

additional school places, health facilities, public open space, playspace and sports facilities and childcare;

- A Mayoral CIL contribution of approximately £2.5m towards Crossrail, and New Homes Bonus grant of approximately £2.4m relating to the provision of 274 new homes on site (New Homes Bonus would in addition be payable on the delivery of off-site affordable housing);
- An estimated 271 FTE jobs (net) during the operational phase, rising to 456 FTE jobs (net) during the operational phase once spending of new residents and hotel guests is taken into account, and 616 on-site construction jobs per year (net) during the construction phase, representing Gross Value Added of £6.6m per annum during the operational phase and £11.9m during the construction phase:

**Table ES1: Economic impacts of Proposed Development**

Impact	Employment	GVA (pa)
Construction Phase		
Employment (Temporary)	616 net jobs (average on-site jobs per year)	£11,944,240
Operational Phase		
Operational employment (Permanent)	271 FTE net	£3,939,613
Additional local spend (residents)	122 FTE net	£1,770,572
Additional local spend (tourists)	64 FTE net	£923,183
<i>Total Operational Phase</i>	<i>456 FTE net</i>	<i>£6,633,368</i>

*Source: URS Calculations 2012*

- Support to ensure local businesses and people can access economic opportunities, working with LB Southwark and other local partners. Based on benchmarks from previous interventions, outputs could include 103 beneficiary starts, 60 people into jobs of 26 weeks' duration or more, and 99 people into training;
- Bringing a strategically important vacant brownfield site back into productive use, signalling confidence in the market in an area where many developments are currently stalled;
- Promotion of sustainable transportation through significantly improved connectivity and permeability through the local area, as well as 340 cycle parking spaces for residents;
- New local facilities including retail opportunities and a high quality hotel restaurant and bar which will act as a catalyst for regeneration, attract

visitors, and create an active and vibrant destination where communities can interact; and

- High standards of sustainability relating to design, construction and operation including a total CO<sub>2</sub> emissions reduction beyond Building Regulations Part L 2010, meeting the overall policy target.

# 1. INTRODUCTION

One Blackfriars Road (Figure 1) is a 0.67 hectare site located in the Bankside area, on the south bank of the River Thames in the London Borough of Southwark (LB Southwark). St George South London ('The Applicant') acquired this Site in December 2011 and is seeking planning permission for a high profile mixed use development known as One Blackfriars ('Proposed Development').

**Figure 1: Site location: One Blackfriars Road**



Source: Environmental Statement - Chapter 1: Introduction 1

## 1.1 A Brief History of The Site (1898-2009)

A century ago, the Charles Booth Poverty Map showed 'Middle class and well-to-do' people lived along Blackfriars Road. This can be seen by the red shading in Figure 2 below. Blackfriars Road was however surrounded by 'lower class' housing, as can be seen from the blue shading below which demarcates 'occasional labourers, loafers and semi-criminals'.

Whilst historically a vibrant and diverse residential area, the neighbourhood quickly developed into an industrial environment, with docks, warehouses and wharves. The Site was occupied by commercial uses in the early 1900s.

There were previously two buildings on The Site. Stamford House was built around 1913 for Sainsbury's warehouses, extended in the 1920s and subsequently converted to office use. Drury House was built in the early 1960s, first occupied by Unilever and in later years occupied by Sainsbury's.

Following industrial decline in the post war era, the neighbourhood lost the life and vibrancy it once enjoyed.

Figure 2: Charles Booth Poverty Map (1898-1899)



Source: Booth Collection at the Archives Division of the British Library of Political and Economic Science (London School of Economics)

By the 1990s the buildings were considered to be beyond their useful life and they were vacated and demolished in 2003. The Site was cleared and has now been vacant for almost ten years.

## 1.2 Implemented Permission (2009)

In 2009, Beetham Landmark London Ltd received planning permission<sup>2</sup> for a mixed use scheme ('Implemented Permission') which included a 170m, 52 storey Tower. The development included:

- A 170 m (52 storey) Tower which would include a luxury 261 bedroom hotel and its associated facilities mixed with residential;
- 96 homes (Class C3) and ancillary retail/leisure uses (Class A1-5/D2);
- A stand alone six storey block (above ground level);
- A site-wide podium with open space provided at an elevated podium level. Access was provided through stairs up from street level.

Between 2009 and 2011 little progress had been made in delivering the Implemented Permission (although it has been implemented). Beetham Landmark London Ltd went into administration, and in December 2011 the appointed administrators sold The Site to St. George South London (The Applicant).

## 1.3 The Applicant

In December 2011 The Applicant acquired One Blackfriars Road and is now seeking planning permission for a revised development. The Applicant is a

leading and award winning developer with a broad portfolio of vibrant new residential and mixed-use developments across London. Examples include Imperial Wharf located in LB Hammersmith and Fulham.

The Applicant is a wholly owned subsidiary of the Berkeley Group, a FTSE company who have been awarded the Queens Award for Sustainability.

The Applicant's other developments include the distinguished school conversion, Camberwell Grove in LB Southwark; Battersea Reach; the award winning development 'The Tower' at One St George Wharf, which is part of a wider regeneration scheme creating a new destination; Parkwest in West Drayton; Dickens Yard in Ealing; and new riverside developments at Kew Bridge and Fulham Reach.

The Applicant has built an impressive reputation and won awards for regenerating disused parts of the capital and transforming them into vibrant communities in attractive landscaped environments, offering new on-site facilities for the immediate and wider community including leisure and health and fitness facilities, business centres, shops, cafés and restaurants. Many of the new 'places' have benefitted from transport improvements and upgrades, ensuring they are accessible and becoming great places to visit and live.

#### **1.4 Objectives of the Proposed Development**

The Proposed Development's objectives are to:

- Provide a mix of uses that is realistic and achievable to facilitate the delivery of this important site;
- Create an elegant landmark on the London skyline through world class architecture, which will be recognisable internationally;
- Compliment and support the local community, particularly by providing access to a viewing lounge on the 32<sup>nd</sup> floor;
- Significantly contribute to local regeneration, including local employment opportunities;
- Improve and enhance public realm in the area;
- Create active and animated street frontages and improve the local environment, particularly Rennie Street;
- Facilitate much needed affordable housing for the borough;
- Provide a comfortable and desirable environment, a place to visit or live;
- Create new jobs through both the operational and construction phases of development;
- Increase London's supply of quality housing;

- Optimise the use of The Site; and
- Create a sustainable development.

The Proposed Development seeks to retain key elements of the Implemented Permission, notably the height, massing, form and appearance of the Tower. The enhancements to the proposals focus on the new public realm and activation of the Rennie Street frontage. Key elements of the Proposed Development are:

- **The landscaped Public Square**, Blackfriars Place, which will be the focal point of the Proposed Development;
- **The Tower**: A 50 storey Tower including 274 market homes with ancillary residents' facilities. It will also include a public viewing lounge on level 32;
- **The Podium Building**: A four storey building with ground level retail units and a spa and gym (for use by residents) on the upper levels with a private communal garden; and
- **The Rennie Street Building**: A six storey building including a high quality upscale / lifestyle 152 room hotel with an associated restaurant and bar on the ground floor. It will also include a business centre with meeting rooms.

The Proposed Development retains the external appearance, height and massing of the Tower element of the Implemented Permission but has reworked the internal lay out and uses. The height and massing of the Rennie Street building have also remained consistent and a reconfigured podium block has been introduced to create a high quality mixed used development. A summary of the principle differences between the New Application and Implemented Permission is set out below:

- Separation of the Tower, Rennie Street and Podium Buildings to create distinct architectural forms through removal of the raised podium;
- Improvements to the public realm, to reflect the wholly residential use of the Tower and reconfigured hotel and retail uses; including the removal of the podium to create a new high quality Public Square (Blackfriars Place) at grade;
- Removing the pay to visit sky deck visitor attraction from the Tower and replacing it with a managed 'viewing lounge' at 32<sup>nd</sup> floor level;
- Replacing the hotel floor space within the Tower with high quality private homes;
- Relocating and rationalising the hotel element of the development from the lower floors of the Tower to the Rennie Street building;
- Introduction of active facades at ground floor level around the Site, particularly to Rennie Street;

- Revision of the junction to the South East of the Site to strengthen and enhance the street corner and respond to TfL's and LB Southwark's aspirations for the Site;
- Proposed provision of affordable housing off-site, resulting in a demonstrable uplift to quantum and mix of homes; or a financial payment in lieu should this prove not to be feasible;
- Amendments to servicing and parking strategy to reflect the revised land use mix; and
- Revisions to the energy strategy to reflect the latest policy position of the London Plan and alteration to the mix of uses in the development.

These revisions were designed to ensure the Proposed Development is deliverable and viable in the current economic climate. The revisions have been brought forward with consideration of the local socio-economic context and policy context which is explained in greater detail in Sections 2 and 3 of this report.

**Figure 3: One Blackfriars – A New Landmark for South London**



**Figure 4: View of Proposed Development from Blackfriars Bridge**



## **1.5 Purpose and Structure of Regeneration Statement**

URS Infrastructure and Environment Ltd (URS) prepared this Regeneration Statement to accompany the New Application in recognition of The Site's strategic importance. The Regeneration Statement is designed to highlight the regenerative benefits of the Proposed Development in the light of the local socio-economic context and policy drivers. The Regeneration Statement is structured as follows:

- Section 2 highlights the local socio-economic conditions which influenced the design of Proposed Development;
- Section 3 sets out the relevant policy drivers which have shaped the design and implementation of the Proposed Development;
- Section 4 highlights the economic and regenerative impacts of the Proposed Development;
- Section 5 sets out benefits for the local community;
- Section 6 considers the physical and environmental impacts of the Proposed Development; and
- Section 7 draws together our findings and conclusions.

## 2. SOCIO-ECONOMIC CONTEXT

A review of the socio-economic context of The Site location shows that there are significant opportunities, but also local challenges that the Proposed Development seeks to address.

The Bankside area is a highly urbanised location with significant concentrations of high value employment. Data on the Cathedrals ward (best fit ward level data) shows around a fifth (20.56%) of the Borough's businesses and more than a third of jobs (35.42%) are located in Cathedrals ward<sup>3</sup>. There is also above average representation of businesses in high value sectors, for example, the Professional, Scientific and Technical Sector represents 18% of business activity (compared with 12% for London) and the Business Administration and Defence Sectors represent 18% (compared with 11% for London)<sup>4</sup>.

As well as being an important business and employment location, it is also an important visitor destination boasting world class landmarks and tourist attractions. The London Eye, Royal Festival Hall, Borough Market, The Tate Modern, the Globe Theatre and Southwark Cathedral are all nearby. The Cathedrals ward average share of tourism businesses (6.35%) and employees (5.3%) is slightly below the LB Southwark average (7.43% and 5.9% respectively).<sup>5</sup>

The Hotel Demand and Feasibility Study undertaken by CBRE and submitted in support of the New Application suggests that there is considerable demand from lifestyle / upscale hotel operators within the local area which will provide high quality and design led accommodation for both business and leisure guests.

There are already significant employment opportunities in the area. The unemployment rate measured by Job Seekers Allowance claimants is slightly lower in Cathedrals ward (4.2%) than the LB Southwark average (5.3%) and broadly comparable with the London average (4.4%) and national average (4.1%).

Whilst there are above average levels of economic inactivity, this is largely explained by the high numbers of students located in the ward which is around twice the average for the Borough. This student population adds to the vibrancy and buzz of the area.

The Site benefits from excellent public transport connectivity. It has a Public Transport Accessibility Level rating of 6b, the highest level, boosting the area's prospects as a residential, leisure and business destination.

Data from 2001, when ward-level data on housing tenure was last available, showed significantly lower rates of owner occupancy in the Cathedrals ward and higher rates of social rented housing than the London average (Table 1).

**Table 1: Dwellings by tenure (%)**

	<b>Cathedrals ward</b>	<b>London Borough of Southwark</b>	<b>Greater London</b>	<b>England</b>
Owner Occupied	24.1%	31.4%	56.5%	68.7%
Social Rented (Council, RSL)	57.7%	53.5%	26.2%	19.3%
Privately Rented or Lived Rent Free	18.2%	15.0%	17.3%	12.0%

*Source: Census 2001*

It should however be noted that since 2001 there have been changes to the tenure balance in the local area and the LB Southwark. 2011 data indicated that 46.3% of dwellings in LB Southwark were social rented<sup>6</sup>, while 2008 household survey data indicated that 51.3% of households in Bankside and Borough were social rented<sup>7</sup>.

This information on tenure patterns suggest that existing housing stock does not meet the aspirations of employees working locally who are employed in higher value knowledge industries, and commute in from elsewhere.

Whilst there are reasonable employment opportunities in the ward, there are also pockets of severe deprivation among the resident population. Two of the nine neighbourhoods (or Lower Super Output Areas) in Cathedrals ward are ranked within the top 20% most deprived areas in the country<sup>8</sup>. In recognition of this, the Applicant will support employment initiatives targeting priority groups, such as long term unemployed, youth unemployed and NEETs (16-24s who are Not in Education, Employment or Training).

Existing local challenges have been exacerbated by the 2008 'Credit Crunch' and subsequent recession. This has halted regeneration and development locally. Many developers have gone into administration, others have been unable to raise finance and many of those who can, have little appetite or confidence to proceed with development.

As a consequence, whilst 12 of the 21 developments within 1km radius of the Proposed Development are coming forward for development, nearly half are stalled. Key developments have not been implemented or fully delivered even though they benefit from planning permission. Table 2 indicates the status of such identified developments.

**Table 2: Other developments within vicinity of Proposed Development**

Resolution to Grant	Granted	Under Construction
<ul style="list-style-type: none"> <li>• Wedge House</li> </ul>	<ul style="list-style-type: none"> <li>• 20 Blackfriars Road</li> <li>• 157 Waterloo Rd</li> <li>• Bearhouse, Great Suffolk Street</li> <li>• 190 Strand</li> <li>• Seal House, 1 Swan Lane</li> <li>• York House</li> <li>• Doon Street</li> <li>• Kings Reach Tower</li> </ul>	<ul style="list-style-type: none"> <li>• Former Lying In Hospital</li> <li>• Sea Containers House</li> <li>• 231-241 Blackfriars Road</li> <li>• 6 Paris Garden &amp; 20-21 Hatfields</li> <li>• 61-63 Great Suffolk Street,</li> <li>• New London Bridge House</li> <li>• 12- 14 New Fetter Lane</li> <li>• 30 Old Bailey &amp; 60 Ludgate Hill</li> <li>• Tate Modern 2, Bankside</li> <li>• Milton Court</li> <li>• 46-49 Blackfriars Road</li> </ul>

*Source: Chapter 20 of the Environmental Statement: Cumulative Impact<sup>9</sup>*

### 3. POLICY CONTEXT

The Proposed Development has been designed to support national, regional and local policy drivers and makes a direct contribution to policy targets and objectives. A full policy review was undertaken as part of the Planning Statement. Please refer the Environmental Statement (Chapter 3: Planning Policy Context) for more information. Key relevant policies include:

- **National:** National Planning Policy Framework (NPPF) (2012);
- **Regional:** The London Plan (2011);
- **Local:** LB Southwark’s Local Development Framework (LDF) Core Strategy (2011); Southwark Plan ‘saved policies’ (2007); Bankside, Borough & London Bridge (BBLB) Opportunity Area (OA) Draft Supplementary Planning Document (SPD) (2010).

In addition, local strategies and objectives relevant to regeneration are set out in the LB Southwark Sustainable Communities Strategy (2005-16); and LB Southwark Employment Strategy (2005-16).

Primary issues for consideration are addressed in turn below.

### 3.1 Need for Proposed Development

The policy review shows that the key policies support the elements of the Proposed Development – including the need for improved public realm and more open space, more high quality sustainable homes, the need for more hotels and supporting visitor infrastructure, and the need for high quality architecture and design which raises the profile of the area.

The overarching objective of the NPPF is for sustainable development to achieve economic growth in line with local strategies. Economic, social and environmental dimensions must be considered, promoting schemes which pursue goals of sustainable design and construction, economic development, improvement in the built, natural and historic environment, and high quality homes in line with need and demand. At paragraph 9 the NPPF identifies that pursuing sustainable development involves *“seeking positive improvements in the quality of the built, natural and historic environment, as well as in people’s quality of life, including (but not limited to):*

- *Making it easier for jobs to be created in cities, towns and villages;*
- *Moving from a net loss of bio-diversity to achieving net gains for nature;*
- *Replacing poor design with better design;*
- *Improving the conditions in which people live, work, travel and take leisure; and*
- *Widening the choice of high quality homes.”*

The Proposed Development also responds to local and regional policies and strategies:

**Placemaking:** In summary, policies support schemes which raise the profile and quality of the area. Southwark’s Core Strategy states that development should *“achieve the highest possible standards of design for buildings and public spaces to help create attractive and distinctive places which are safe, easy to get around and a pleasure to be in”*. The draft Bankside, Borough and London Bridge SPD identifies the OA as having the potential *“to create an extraordinary world city quarter containing successful business districts, sustainable residential neighbourhoods and world class services”*.

**Sustainable homes and mixed use:** The Proposed Development is residential led mixed use and many of the strategies and policies support the need for new high quality homes. The London Plan states that within the BBLB OA and the Central Activities Zone, proposals that optimise densities, increase housing supply and contribute to employment and housing targets will be supported in principle. Southwark Plan saved policies support residential development, including mixed use schemes provided that they achieve good quality living conditions and include high standards of design. The Sustainable Communities Strategy supports the need for more and better quality homes.

**Public realm:** The draft SPD sets out a vision for an improved public realm which includes a “good quality network of public spaces” stating that “links between them will be improved”. It identifies Blackfriars Road North as an area which will undergo “major public realm improvements”. The Sustainable Communities Strategy supports the need for more liveable public realm. The Proposed Development adds to and improves the public realm with its high quality landscaped Public Square, Blackfriars Place.

**Visitor economy and infrastructure:** The London Plan supports proposals which support and stimulate the visitor economy. The London Plan also highlights the need for more hotel accommodation. Southwark Plan Saved Policies supports ‘Hotels and Visitor Accommodation’ in areas which are highly accessible by public transport. Blackfriars Place, hotel and supporting retail within the Proposed Development all add to the visitor infrastructure.

### 3.2 Suitability of Proposed Development for The Site

The policy review shows the Proposed Development is highly suitable for The Site and location:

- The NPPF<sup>10</sup> promotes mixed use development on previously developed land.
- Together, The London Plan policies for the BBLB OA and the Central Activities Zone (CAZ) supports proposals that optimise density, increase housing supply and contribute to employment and housing targets.
- The London Plan highlights the CAZ as a location for mixed uses (including residential and retail). It also states “strategically important hotel provision should be focussed in Opportunity Areas” including business hotels and those with conferencing facilities.
- The draft SPD identifies the Blackfriars Road North zone for major mixed use developments that should include hotels, retail space and housing.
- The LDFs Core Strategy seeks ‘a high quality environment that is vibrant and mixed use’ for this location.
- The LDF and draft SPD identifies the Blackfriars North area as a strategic location suitable for tall buildings demonstrating exceptional design which will provide “high quality offices, housing, hotels and shops” and promotes a vibrant area which raises the profile of the LB Southwark.
- In particular the draft SPD identifies the Site as having significant redevelopment potential with the opportunity to provide high quality housing and accommodate tall buildings. The SPD (section 5.9) identifies that the development should include a viewing platform; hotel, retail and residential uses; improved pedestrian linkages; and active frontages. The Proposed Development can deliver all of these objectives.

### 3.3 Contribution to Local Targets

As the Proposed Development has been designed in line with local need and policy aspirations, it will contribute directly to key policy targets. A summary is provided in Table 3 below.

**Table 3: Contribution to local targets/ objectives**

Policy	Target/ Objective	Proposed Development
LDF	1,900 new build homes in BBLB (2011 to 2026).	274 new homes (14% of BBLB target)
LDF	25,000 new jobs in BBLB (2011 to 2026)	Estimated gross employment of 212 full time jobs, and net employment of 271, during operational phase.  Estimated gross employment of 483 construction jobs (average on-site workers per year), and net employment of 616 during construction phase.
BBLB SPD	At least 10% of new homes will have three or more bedrooms	23% homes with three or more bedrooms
LB Southwark Employment Strategy	Support local people into work	Local employment initiative would be supported via S106 agreement (see potential outputs detailed in section 4.5)
GLA hotel demand study (London Plan 2011 Evidence Base)	Requirement for an additional 2,500 hotel rooms in LB Southwark to 2026	Contributes 152 rooms

## 4. ECONOMIC IMPACTS & REGENERATION

### 4.1 Economic Impacts

Investment associated with Proposed Development will generate considerable economic benefits during both the construction phase and through the provision of residential, retail and hotel floorspace during the operational phase.

The economic value of residential development is well documented:

- The Centre for Economics and Business Research estimated that the economic impact of increasing housebuilding from 95,000 to 300,000 by 2015 would be to create 201,000 extra permanent jobs in the construction sector, contributing £75 billion to GDP<sup>11</sup>;
- Professor Michael Ball estimated that every home built creates 1.5 direct jobs and 3 more in the supply chain<sup>12</sup>; and
- Research by the Chartered Institute of Housing found that housing construction supports more jobs compared with many other sectors of the economy – every £1m of new housing output supports 12 net jobs for a year<sup>13</sup>.

The retail and hotel elements of the Proposed Development will also generate jobs and spending in the economy. The Hotel Demand and Feasibility Study undertaken by CBRE Hotels and submitted in support of the New Application highlights the particular benefits of the types of guests most likely be staying at the Proposed Development's hotel. Business visitors' spend in particular benefits many parts of the economy as well as hotels and travel services, such as retail, restaurants and entertainment facilities.

The economic impacts of the Proposed Development can be expressed in terms of both jobs created and Gross Value Added (GVA) – that is, the economic contribution (in terms of output) to the economy. GVA can be estimated using accepted guidance from HM Treasury (2011)<sup>14</sup> and data from the Office of National Statistics<sup>15</sup>. It is estimated that during the operational phase, taking on-site activities and spending of new residents and hotel guests into account, the Proposed Development could result in approximately 456 FTE jobs (net). It is estimated that these jobs represent GVA of £6.6m per annum during the operational phase and £11.9m during the construction phase.

This includes:

- Employment benefits during the operational stage: as set out in the Chapter 8 of the Environmental Statement (Socio-economics), it is estimated that there will be 212 gross FTE jobs associated with on-site retail, hotel and estate / residential management activities (with additional potential contractors for servicing and maintenance). After taking into account displacement effects (reductions of output or employment elsewhere) and indirect and induced multiplier effects

(relating to spending of employees and of suppliers), total net employment is estimated at 271 jobs, of which an estimated 236 will likely be taken up by residents of the Greater London area. By applying an average benchmark of £14,537 GVA per employee<sup>16</sup>, it is estimated that the 271 net jobs generated by the Proposed Development represent an additional £3.9m GVA to the economy.

- Temporary employment created directly through the construction phase will provide a significant short term boost to the local economy. It is estimated that on average there will be 483 workers on-site per year, increasing to 616 construction phase jobs once multiplier effects are taken into account (see Chapter 8 of the Environmental Statement for more detail). The importance of sustaining the construction sector in the current economic climate should not be understated, and there are opportunities for the local community to benefit from this as set out below. By applying an average benchmark of £19,390 GVA per employee<sup>17</sup>, it is estimated that the 616 net construction jobs generated by the Proposed Development represent an additional £11.9m GVA to the economy.
- Additional local consumer spend will result from residents of the Proposed Development who spend a proportion of their household income locally on products and services, for example in personal services, retail, food and drink and leisure and tourism sectors. As set out in the Socio-economics Chapter of the Environmental Statement, it is estimated that new residents could generate approximately £8,038,469 per annum. Applying an average output per employee figure of £66,000<sup>18</sup> this spending could translate into 122 net FTE jobs per annum. Assuming a GVA of £14,537 per employee, this in turn represents an additional £1.8m of GVA to the local economy.
- The Proposed Development includes a 152 bedroom hotel and will attract business and leisure visitors who will spend money locally. Assuming 80% capacity at the hotel, it is estimated that hotel guests could spend £2.7m per year<sup>19</sup>. Applying an average output per employee figure of £66,000, this spending could translate into 64 net FTE jobs per annum which represents an additional £0.9m of GVA to the local economy. Further analysis of the likely economic impacts of the hotel is set out in the Hotel Demand and Feasibility Study undertaken by CBRE Hotels and submitted in support of the New Application.

These impacts are summarised in Table 4 below:

**Table 4: Economic impacts of Proposed Development**

Impact	Employment	GVA (pa)
Construction Phase		
Employment (Temporary)	616 net jobs (average on-site jobs per year)	£11,944,240
Operational Phase		
Operational employment (Permanent)	271 FTE net	£3,939,613
Additional local spend (residents)	122 FTE net	£1,770,572
Additional local spend (tourists)	64 FTE net	£923,183
<i>Total Operational Phase</i>	<i>456 FTE net</i>	<i>£6,633,368</i>

*Source: URS Calculations 2012*

## 4.2 Bringing Brownfield Land into Productive Use

One Blackfriars Road is currently a brownfield site in a highly valuable and prominent location which has been vacant for almost 10 years. It currently does not add any value to the local economy and in fact hinders local aspirations for the area and impacts negatively on local perceptions. The Implemented Permission is not viable in the current economic climate. There would be a major opportunity lost if no development takes place on this strategically important site.

Assuming permission for the Proposed Development is granted, The Applicant would be in a position to start work on site in 2013 and have the development completed within 48 months, therefore bringing a vacant site back into productive use and contributing positively to the local area.

## 4.3 Catalytic Effects on Wider Regeneration

Progressing with the Proposed Development would signal confidence in the market and raise confidence of other investors, particularly given the iconic landmark nature and world class architecture, the prominence and location of the Proposed Development and its role as a destination and point of interest in itself. These factors would catalyse wider regeneration locally. This is particularly important given the developments in the area which are currently stalled.

The Applicant and the parent company the Berkeley Group has a track record in delivering high quality developments which set the benchmark for quality and kick start regeneration. For example, the Tower, One St George's Wharf is an architectural landmark has brought an international profile to Vauxhall, LB Lambeth.

#### 4.4 **Boost Image and Perceptions of the Bankside Area**

The Southbank is rapidly establishing itself as a major visitor destination supported by various tourist attractions and cultural offers. The Bankside area is emerging as a similar destination underpinned by Tate Modern. The opportunity to link these two centres is recognised and One Blackfriars can positively contribute towards better linking these two centres.

The Proposed Development will redefine people's perceptions of Bankside as a vibrant area of London. The creation of a major landmark with iconic architecture will boost awareness and perceptions of the locality, provide a destination and sense of place, and reinforce London's status as a world class city.

The upscale / lifestyle hotel, Blackfriars Place, restaurant and retail space will provide essential visitor infrastructure, encourage visitors to stay in the area and help to develop a positive image and perceptions. The landscaped Blackfriars Place will provide a setting for the Tower and will improve connectivity between areas and attractions. It will help create a sense of arrival and a calm space set back from busy Blackfriars Road for people to congregate and for social interaction.

This improved image reinforces investor confidence, as highlighted above.

#### 4.5 **Supporting Local Businesses and Jobs**

The Applicant recognises the opportunity to maximise economic impacts by ensuring local people can access economic opportunities and has an excellent track record in achieving this objective. The Applicant's development at Camberwell Grove in LB Southwark delivered a successful Employment and Training Initiative. It was established by The Applicant in partnership with LB Southwark to create training and employment opportunities for local people and funded via a S106 agreement. Beneficiaries ranging from school leavers to the long term unemployed were referred to the initiative from the Building London Creating Futures (BLCF) programme and direct enquiries. Beneficiaries were given career guidance, training, support and assessments tailored to individual's needs, so that they were equipped to secure employment with The Applicant and their contractors or in the wider construction industry.

This together with other initiatives has enabled The Applicant to:

- Employ a Workplace Co-ordinator;
- Register and support 61 people with construction related advice;
- Assist 29 candidates in passing the CSCS Health & Safety Test;
- Supply 6 candidates with a construction related short course;
- Enrol 8 people onto construction related short courses;
- Support 6 candidates through work placements;

- Progress 9 candidates into specialist training or work placements; and
- Help 12 candidates into employment.

The above outputs represent significant improvements from the original targets that were identified within the S106 Agreement.

While at this stage it is not possible to precisely forecast outputs, if a similar intervention were made in association with the Proposed Development (that is, a contribution towards a BLCF Workplace Co-ordinator was made in line LB Southwark's S106 policy) LB Southwark literature<sup>20</sup> indicates that the following outputs could be achieved per annum:

- 103 beneficiary starts;
- 60 people into jobs of 26 weeks' duration or more;
- 60 CSCS health and safety qualifications;
- 27 basic skills courses;
- 14 NVQ level 1 (or equivalent) and level 2 courses; and
- Other outputs including weekly job search sessions with clients requiring ongoing support, schools visit programmes, a commitment to recruiting suitable clients through local community agencies, to be identified by the Council, and monthly progress updates to the BLCF Manager.

Given the variety of existing relevant initiatives serving the LB Southwark, The Applicant will look to support or partner with existing initiatives as part of the Employment Strategy associated with the Proposed Development. This could include: Lewisham and Southwark Business Advisory Service; South East Enterprise; Southwark Works and Southwark Employment Training.

#### **4.6 Boosting Hotel Accommodation**

The socio-economic context and the policy review highlights the need for additional visitor infrastructure, and in particular hotel accommodation. The CBRE Hotel Demand and Feasibility Study undertaken by CBRE Hotels and submitted in support of the New Application also points to a growing demand for upscale / lifestyle hotels in this area.

The Proposed Development includes a 152 bedroom hotel in The Rennie Street Building which fronts on to Blackfriars Place. It will be an upscale / lifestyle hotel, and as such represents a new high quality offer for the local area. It will provide high specification bedrooms and luxury facilities for hotel guests, including a restaurant, gym, spa, bar and business centre and conference facilities.

The Hotel Demand and Feasibility Study considers the economic benefits of the Proposed 152 bedroom hotel, and in particular compares it to the hotel within the Implemented Permission which comprised a 261 bedroom hotel. It finds that whilst the Proposed 152 bedroom hotel is estimated to generate slightly fewer

jobs than the Implemented 261 bedroom hotel, the range of jobs, local economic multipliers and wider regeneration benefits from the Proposed 152 bedroom hotel are likely to be greater. This is largely due to the guest profile. In terms of business guests, while the Implemented 261 bedroom hotel would have appealed to high net worth individuals or very senior management, the Proposed 152 bedroom hotel will be more accessible to middle to senior management who are more likely to spend within the local area and LB Southwark. Similarly, luxury leisure users are more likely to spend money in those parts of London where they can find their preferred brands, retail outlets, restaurants, bars and other establishments, such as Mayfair and Knightsbridge. The Proposed 152 bedroom hotel will appeal to a younger, more trendy leisure market which will be more likely to stay and spend within the local area and LB Southwark.

#### **4.7 Boosting Retail Capacity**

In 2009, LB Southwark's Retail Capacity Study<sup>21</sup> concluded that the Bankside and Borough area has a limited convenience and comparative retail function. Most of the existing retail units are in service uses, including financial, retail and cafes. The retail vacancy rate within the Borough and Bankside area (7.1%) is below the LB Southwark average and demonstrates a relatively high demand for retail premises in the area. The report also anticipates a continuing demand for 'leisure' retailers (bars, cafes and restaurants) in part stimulated by the high volume of office premises in the surrounding area. Further, the SPD highlights the need for active high street frontages.

The closest retail premises (aside from the Mad Hatter public house opposite The Site) are an arcade of shops as part of Rennie Court (which are due to be extended and redeveloped as part of the Kings Reach Tower development). There are also some small chain leisure retailers, including cafes and restaurants within 125m.

The Proposed Development will provide 1,336 m<sup>2</sup> GEA of modern flexible retail floorspace on the ground floor of The Podium and Rennie Street Buildings. The Applicant seeks approval for flexible A Class use to allow a sustainable mix of retail and service uses in line with market interest and demand.

The proposed retail floorspace will complement existing provision and provide close and convenient amenity for residents and visitors of the Proposed Development, as well as the wider local community.

#### **4.8 Summary**

The Proposed Development will deliver significant direct and indirect economic and regenerative benefits for LB Southwark and London more widely. It will boost local confidence on the area and provide new facilities and points of interest to support the tourism economy.

## 5. SOCIAL AND COMMUNITY IMPACT

### 5.1 Contributing to Housing Supply

London, like many other parts of the south east of England, is experiencing a severe shortage of housing. The delivery of new homes in London declined by 27% to 18,000 in 2010/11, well below the new 29,800 dwellings per annum target, while completions of affordable homes fell from 10,800 to 9,000 in 2009/10 to 6,900 homes in 2010/11<sup>22</sup>. The shortage of housing is pushing up house prices and increasing housing need. Research by CEBR found that increasing housebuilding from 95,000 to 300,000 by 2015 would also reduce rents by 11%, increasing affordability especially for young people whose standard of living would increase 11% by 2015<sup>23</sup>.

The Proposed Development will provide 274 new homes, contributing to the target of 1,900 new build homes in BBLB from 2011 to 2026 set out in the LB Southwark LDF. It will also contribute to the provision of new affordable homes.

Available data indicates relatively high levels of social rented housing within the local area and levels of owner occupancy and private rented housing which are below the London average. New homes are likely to be owner occupied or privately rented dwellings. This will bring more economically active residents to the area which will help to sustain local businesses and services to the benefit of the whole community.

The homes are generously sized and will be of exemplary design offering additional facilities including a residential lounge, library with dining room, a games room, a private screening room, storage space, swimming pool and gym / spa facilities. Homes have been designed to meet the following standards:

- Lifetime Homes<sup>24</sup>;
- Code for Sustainable Homes level 4<sup>25</sup>;
- LB Southwark Residential Design Standards SPD (2011)<sup>26</sup>; and
- GLA Draft Housing SPG (2011)<sup>27</sup>.

It is proposed that affordable housing will be provided through off site provision, either through a donor site or a financial contribution. Affordable housing obligations and contributions will be informed by the on-going dialogue between The Applicant and LB Southwark.

### 5.2 Community Consultation and Engagement

Community engagement has been considered from the outset of the Proposed Development, full details are set out in the Community Engagement Report (CER)<sup>28</sup>. The Applicant has encouraged and actively sought local views and involvement through the community engagement programme.

All consultation activity has been carried out in conjunction with the development team's engagement with LB Southwark planning officers, the GLA and other statutory consultees. The CER was undertaken in accordance with LB Southwark's Statement of Community Involvement (2008) guidance on undertaking pre-application public consultation which encourages early discussions with both the Council and community.

A rigorous approach was established to identify who and how to best engage to ensure a thorough and inclusive approach, which had regard to equalities and diversity. This resulted in a programme of consultation exercises that included stakeholder meetings, a public exhibition, a community newsletter, a consultation website and a further public exhibition planned for post application submission. The Consultation process has included all the relevant stakeholders such as local residents, local community groups, local ward members, Southwark Council Cabinet Members, local Members of Parliament and the Greater London Assembly Member.

As a result, local people are aware of the development and the majority are positive about the Proposed Development. The exhibition was attended by 110 people and as a result, 47 feedback forms were received. Over half were positive comments. A third of the comments categorised as neutral with only a minority (11%) being unsupportive of the proposals.

The Applicant remains committed to on-going engagement with local stakeholders and remaining a 'good neighbour'. This will include, for example, registration with the Considerate Constructors Scheme during the construction phase, and regular newsletters and forums to keep local people informed as the development progresses.

The Proposed Development benefits the local community both directly and indirectly by contributing to infrastructure funding. These benefits are assessed below.

### **5.3 A Growth in Resident Population**

At present Bankside is primarily a business location rather than residential area. In 2008 there were 54,055 people employed in Cathedrals ward and 12,700 living in the ward<sup>3</sup>. The high proportion of employees compared with resident population indicates that there is a significant outflow of people outside of the usual office hours. The Proposed Development will boost the resident population in Cathedrals ward by 3% (based on 455 new residents to the 2008 ward population of 12,700 residents). Therefore the Proposed Development will increase the number of people who will stay in the area beyond office hours, supporting an evening economy and a more vibrant, community feel.

### **5.4 Providing Opportunities for Local People**

As set out earlier, The Applicant is committed to ensuring the local community benefits from economic opportunities arising from the Proposed Development. This will be achieved through training and employment initiatives funded by

S106. These initiatives will aim to prioritise disadvantaged groups, such as young people, long term unemployed and Black and Minority Ethnic (BME) groups to ensure equality.

## **5.5 Tackling Crime and Fear of Crime**

Crime and the fear of crime have a significant negative impact on the quality of people's lives. The IMD 2010 crime domain shows there are issues around crime concentrated in small areas of Cathedrals ward, with one of the nine LSOAs being ranked within the top 10% most deprived. Latest Metropolitan Police data also shows above average occurrences of reported crimes<sup>29</sup>. The Proposed Development will improve the local environment and public realm. This is likely to deter crime by increasing sight lines, increasing footfall and natural surveillance, and reduce fear of crime. The increased resident population noted above could also reduce the sense of desolation outside of office hours and increase sense of personal safety. The local crime prevention officer has been consulted with as part of the pre-application process.

## **5.6 Community Cohesion and Opportunities for Social Interaction**

The Proposed Development will provide new local facilities, for example, a range of retail opportunities which local people can enjoy. The retail space and the upscale / lifestyle hotel restaurant and bar will cater for new residents and increase the local evening population.

In delivering the regeneration of this stalled Site, The Applicant will dramatically improve the public realm and create an active high street where communities can interact. The Public Square, Blackfriars Place, will be a high quality, calm and attractive space, potentially with a rolling programme of public art, which will promote the development of social ties, and assist in the sense of community.

The Tower also includes a managed access viewing lounge on the 32<sup>nd</sup> floor. This will be available for use by residents of the Tower, those living or working in Chaucer and Cathedral wards and their guests, hotel occupiers, and local groups. Users will enjoy magnificent views across London. It will be made available to the public by prior arrangement. The high quality managed space will be suitable for receptions, presentations and meetings.

## **5.7 Tackling Adverse Construction Impacts**

Adverse construction impacts (e.g. noise, congestion and disruption) will be limited by registering The Site with the Considerate Constructors Scheme. This scheme ensures that contractors carry out their operations in a safe and considerate manner with due regard to passing pedestrians and road users. The Applicant has already won several Considerate Constructors awards for previous developments. In addition a point of contact will be available to ensure the community can speak directly with the onsite team. In addition regular news letters and information will be provided to the local community to ensure effective communication is maintained.

## 5.8 Contribution to Community Infrastructure

The Proposed Development will contribute to the wider community infrastructure through a range of mechanisms, including Section 106 (S106) obligations, Section 278 (S278) agreement, Affordable Housing Contribution (secured within the S106 Agreement), Community Infrastructure Levy (CIL) and the New Homes Bonus. Details are provided below.

### 5.8.1 Section 106 Agreement

Planning obligations and financial contributions will be included within the S106 Agreement for the Proposed Development. The emerging Head of Terms are informed by LB Southwark's Planning Obligations SPD (2007)<sup>30</sup>, S106 Toolkit, and Model S106 Agreement (2012). Contributions are subject to further discussion between The Applicant and the relevant authorities and to viability testing, and will reflect the need to mitigate the impacts associated with the Proposed Development. However it is likely that contributions will be made for the following items of social infrastructure:

- **Community Facilities and Community Projects** – contribution towards new community facilities and supporting community projects to provide for new residents and workers in the Proposed Development and the local area. This contribution could be directed towards a wide range of community facilities including libraries, community centres, meeting halls, leisure facilities and cultural facilities (as defined in the S106 Planning Obligations SPD). LB Southwark have set up Community Project Banks (CPBs) which list projects of priority to the local community. This contribution can be directed towards items of particular importance to the Borough and Bankside CPB specifically.
- **Education** – contribution towards the cost of providing additional school places to meet the needs of children accommodated with the Proposed Development (identified in Chapter 8 of the Environmental Statement). This contribution will assist in securing new infrastructure to provide for education, to be delivered through the Southwark Schools for the Future programme (in accordance with the S106 Planning Obligations SPD).
- **Health** – contribution towards new health facilities required as a direct result of the increased population associated with the Proposed Development. The existing provision of GPs within LB Southwark is significantly above the national average and all 9 surgeries within 1km of the Site are currently accepting new patients (highlighted in Chapter 8 of the ES). Notwithstanding the negligible impact the Proposed Development will have on health provision in the local area, this contribution will be pooled to further support LB Southwark's Primary Care Trust (PCT) to fulfil its statutory function and deliver a schedule of capital projects detailed in the PCT Asset Management Strategy to improve healthcare in LB Southwark.

- **Public Open Space, Children's Playspace and Sports Development** – contributions to public open space and associated facilities to ensure that additional pressure on existing facilities generated by the Proposed Development is mitigated. These contributions are in addition to the 3,100 sq m of high quality public realm at grade provided through the Proposed Development which will allow residents (and the public) to engage in passive recreation. In line with the Implemented Permission, these contributions will provide improvements to existing open spaces and facilities within 1,000 metres of the Site and help address the existing public park deficiency and natural greenspace deficiency in the local area (identified in Chapter 8 of the ES). With particular regard to playspace, the Landscape Strategy highlights a number of open spaces within 800 metres of the Site which provide opportunities for play and therefore could benefit from these contributions, for example Christ Church Gardens and Jubilee Gardens.
- **Childcare** – contribution towards childcare facilities to meet the needs of children accommodated with the Proposed Development. There is likely to be sufficient capacity within existing nursery facilities to satisfy the additional demand for early years education places as a result of the Proposed Development (set out in Chapter 8 of the ES), however, this contribution will further support additional childcare requirements.
- **Wider Public Realm** - contributions to mitigate the impact on the public realm in the vicinity of the Proposed Development. Based on the requirements in the Implemented Permission, this could include improvements to Blackfriars Road between the south end of Blackfriars Bridge and St George's Circus which forms an approved part of TfL's and LB Southwark's Transportation Strategy for Blackfriars Road.

These contributions and obligations, together with those relating to employment / business support and transportation described elsewhere in this report, will translate into considerable benefits for the local community.

### 5.8.2 Section 278 Agreement

Important improvements to the Blackfriars Road and Stamford Street Junction will be captured through a S278 Agreement. This will help to improve the safety of the junction as well as upgrade the quality of the existing public realm. Please see further details in Section 6 below.

### 5.8.3 Mayoral Community Infrastructure Levy - Crossrail

The Mayoral CIL Charging Schedule<sup>31</sup> defines LB Southwark as a Zone 2 borough and so the rate is £35 per m<sup>2</sup>. Applying this rate to the total floorspace generates a CIL contribution of £2.5m. A more detailed calculation will be needed based on the formula within the Mayor's Charging Schedule. This will result in an important financial contribution towards Crossrail.

#### **5.8.4 New Homes Bonus (NHB)**

This is an incentive for Local Authorities to promote growth in housing. The Government provides a 'bonus' by match funding the Council Tax raised from new homes and empty properties brought back into use. The provision of 274 new homes on site would generate a New Homes Bonus of approximately £2.4m. New Homes Bonus would also be payable on the delivery of off-site affordable housing.

#### **5.8.5 Summary**

The Proposed Development has been designed and developed through effective consultation with the local community who are largely supportive of the proposal and are keen to see the development delivered. There will be significant on site and off site benefits for the local community, including amenity benefits of the Proposed Development and through the proposed contribution it will make to local infrastructure.

## **6. IMPACTS ON THE PHYSICAL ENVIRONMENT**

### **6.1 Improved Public Realm**

The Proposed Development will significantly improve the public realm, providing a substantial amount of high quality public realm at grade. Existing research and evidence from other redevelopment schemes shows how high quality public realm and green infrastructure add value to quality of life and increases property values.

#### **6.1.1 Blackfriars Place**

A new Public Square at ground level will create a place of arrival and a calm space set back from busy Blackfriars Road. As described in the Design and Access Statement and the Landscape Strategy, Blackfriars Place will be characterised by high quality design and will be a destination for people to congregate and for social interaction. It will bring amenity benefits to residents, employees and other visitors, adding value to the existing Bankside offer. There is potential for a curated, rolling programme of public art within the space, implemented in partnership with existing nearby institutions and agencies, which enrich the space and widen the cultural appeal of the local area.

Blackfriars Place will generate increased activity in evenings and weekends, and together with the active ground floor retail frontage will improve the sense of place and create a vibrant street level atmosphere. It will improve the commuter's journey from South Bank through Bankside to London Bridge, with the improved connection making it a more pleasant experience.

**Figure 5: View Looking North into Blackfriars Place from Stamford Street**

### 6.1.2 Blackfriars Road, Rennie Street and Upper Ground Improvements

The proposals for the streets and edges surrounding the Proposed Development have been designed to integrate into the overall design ambitions of TfL and LB Southwark for the Blackfriars Road Boulevard. In addition, S106 contributions and a S278 Agreement will result in improvements to Blackfriars Road and its environs as well as Rennie Street and Upper Ground. While details have yet to be confirmed, the works could include improvements to Blackfriars Road between the south end of Blackfriars Bridge and St George's Circus. This would comprise a crucial step with a positive regenerating message towards the comprehensive improvement of the local environment set out in TfL's and LB Southwark's Transportation Strategy for Blackfriars Road, and would create a catalyst for further regeneration.

### 6.2 Architectural Quality

LB Southwark has highlighted the northern end of Blackfriars Road as a strategic location for tall buildings demonstrating exceptional design which will provide "high quality offices, housing, hotels and shops". The Proposed Development includes The Tower in this strategic location that exceeds the high standards of quality architectural design fitting with a world class city. The Tower will add to the collection of tall buildings which characterise London's skyline.

**Figure 6: View of Tower Looking South-West from St Pauls**



### **6.3 Improved Connectivity**

The draft SPD identifies connectivity and legibility as an issue locally. The area around The Site benefits from good pedestrian links with an established network of footways and footpaths.

The proposals create a new, sheltered pedestrian route through The Site which provides a high quality public linkage between Stamford Street, Upper Ground and Blackfriars Road. Pedestrians will access The Site at street level directly from the surrounding highway network. The Proposed Development will therefore significantly improve connectivity and permeability through the local area, in comparison with the Implemented Permission which proposed elevated public realm.

### **6.4 Sustainable Transport**

The Proposed Development will encourage use of environmentally sustainable transport modes beneficial to the local physical environment and the health of individuals, as well as contributing positively to reducing carbon emissions. This will be achieved in the following ways:

- Improvements to pedestrian networks noted above will improve accessibility to the excellent public transport network locally;
- Improvements to pedestrian networks and public realm will encourage walking through the local area which is a more sustainable transport mode and provides health benefits;

- 339 cycle parking spaces will be provided for residents and their visitors (located within the basement) in accordance with London Plan and Southwark Plan minimum cycle parking standards.

The vision set out in TfL's and LB Southwark's Transportation Strategy for Blackfriars Road reflects the importance of this locality as a gateway to the City of London, and the need for a step change in the quality of the public realm. Contributions to improvements to Blackfriars Road and its environs made through a S278 Agreement would be a crucial step in improving the road, pavements, and the spaces adjacent it for all users. The improvements associated with the Proposed Development will include the activation of the facade and the use of high quality materials on Rennie Street and Upper Ground.

Additional measures relating to transport and the public realm may be included within the S106 Agreement for the Proposed Development. While subject to further discussion between The Applicant and the relevant authorities, and to viability testing, relevant planning obligations and contributions could relate to a car club, a travel plan, further public realm improvements, plans for the phasing of any improvement works and maintenance arrangements.

## 6.5 Sustainable Development

As set out in the Energy Strategy, the design and construction of the Proposed Development reflects aspirations to high standards of environmental sustainability. The Applicant's commitment to sustainable development is set out in their Group wide 'Vision 2020' Strategy and underpins all schemes, in recognition that the environmental impacts of development have the potential to affect local communities and societies across the world both now and in the future, in particular with regard to CO<sub>2</sub> emissions and climate change.

- The development will achieve Code for Sustainable Homes Level 4 (Residential); BREEAM Very Good (Commercial) targeting Excellent for the hotel and Very Good for retail; and compliance with Part L of the Building Regulations 2010 through passive design and efficiency measures. The fabric U-Values, G-Values and air permeability are set in order to limit energy demand as far as is possible through passive means.
- Efficient heating, cooling, ventilation and lighting systems will be employed to service the energy demand in the most efficient manner.

The total CO<sub>2</sub> emissions reduction beyond Building Regulations Part L 2010 is therefore 25% which meets the overall policy target.

## 6.6 Summary

The Proposed Development will deliver significant positive improvements to the local area, encourage sustainable transport and incorporate sustainable building design to the highest standards.

## 7. CONCLUSIONS

The Proposed Development offers the opportunity to generate significant economic, social and environmental benefits during both the construction phase and the operational phase. It is deliverable in the current economic climate while also addressing the local socio-economic and policy context. It improves and enhances the Implemented Permission. Regeneration benefits include:

- Bringing a strategically important vacant brownfield site back into use, signalling confidence in the market in an area where many developments are currently stalled;
- Delivering the landmark development located at a strategically important gateway to LB Southwark;
- Significant improvements to the public realm, including a high quality new Public Square, Blackfriars Place, at ground level;
- A viewing lounge on the 32<sup>nd</sup> floor offering amenity for local residents, hotel visitors and groups;
- New local facilities including retail opportunities and an upscale / lifestyle hotel restaurant and bar which will act as a catalyst for regeneration, attract visitors and create an active and vibrant destination where communities can interact;
- Improvements to the Blackfriars Road urban realm either through the Section 278 Agreement or Section 106 contributions, contributing to the wider design ambitions of TfL and LB Southwark for the Blackfriars Road Boulevard and providing a catalyst for a step change in the quality of the local environment;
- The buildings within the Proposed Development have achieved a 'Building for Life' Gold Standard (17.5/20). This is indicative of architectural design which meets and exceeds the high standards befitting this strategically important site and a world class city;
- 274 high quality new homes, contributing to the target of 1,900 new build homes in BBLB from 2011 to 2026 set out in the LB Southwark LDF, as well as a contribution towards the provision of new affordable homes;
- Contributions to the provision and improvement of local social infrastructure through the Section 106 Agreement which, subject to confirmation, will likely include community facilities and projects, additional school places, health facilities, public open space, playspace and sports facilities and childcare;
- A Mayoral CIL contribution of approximately £2.5m towards Crossrail, and New Homes Bonus grant of approximately £2.4m relating to the provision of 274 new homes on site (New Homes Bonus would in addition be payable on the delivery of off-site affordable housing);

- An estimated 271 FTE jobs (net) during the operational phase, rising to 456 FTE jobs (net) during the operational phase once spending of new residents and hotel guests is taken into account, and 616 on-site construction jobs per year during the construction phase, representing Gross Value Added of £6.6m per annum during the operational phase and £11.9m during the construction phase:

**Table 5: Economic Impacts of the Proposed Development**

Impact	Employment	GVA (pa)
Construction Phase		
Employment (Temporary)	616 net jobs (average on-site jobs per year)	£11,944,240
Operational Phase		
Operational employment (Permanent)	271 FTE net	£3,939,613
Additional local spend (residents)	122 FTE net	£1,770,572
Additional local spend (tourists)	64 FTE net	£923,183
<i>Total Operational Phase</i>	<i>456 FTE net</i>	<i>£6,633,368</i>

- Support to ensure local businesses and people can access economic opportunities, working with LB Southwark and other local partners. Based on benchmarks from previous interventions, outputs could include 103 beneficiary starts, 60 people into jobs of 26 weeks' duration or more, and 99 people into training;
- Promotion of sustainable transportation through significantly improved connectivity and permeability through the local area, as well as 399 cycle parking spaces for residents and their visitors; and
- High standards of sustainability relating to design, construction and operation including total CO<sub>2</sub> emissions reduction beyond Building Regulations Part L 2010, meeting the overall policy target.

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- <sup>1</sup> URS (2012) One Blackfriars Environmental Statement, Chapter 1 – Proposed Scheme
- <sup>2</sup> LPA Ref. 06-AP-2117
- <sup>3</sup> Office of National Statistics (ONS), (2005) Annual Business Inquiry (ABI)
- <sup>4</sup> ONS (2010) Business Register and Employment Survey, Employment by Industry, London
- <sup>5</sup> ONS (2005) Annual Business Inquiry
- <sup>6</sup> Dwelling Stock by Tenure and Condition, Department for Communities and Local Government, (2011), <http://www.neighbourhood.statistics.gov.uk/>
- <sup>7</sup> LB Southwark (2009) Housing Requirements Study for Borough and Bankside
- <sup>8</sup> Index of Multiple Deprivation (IMD) 2010
- <sup>9</sup> URS (2012) One Blackfriars Environmental Statement, Chapter 20 – Cumulative Impacts
- <sup>10</sup> GLA (2011) The London Plan, London
- <sup>11</sup> Centre for Economic and Business Research (2011) Economic Impact of Housebuilding
- <sup>12</sup> Michael Ball (2011) Labour Needs of Extra Housing Input
- <sup>13</sup> Chartered Institute of Housing (2011), Laying the Foundations: A Housing Strategy for England
- <sup>14</sup> HM Treasury (2011) Green Book Evaluation Guidance, London
- <sup>15</sup> ONS (2010), Business Register and Employment Survey, London
- <sup>16</sup> Benchmark GVA is derived from total GVA generated from relevant sectors divided by total number of employees in Greater London employed in relevant sectors (source: ONS BRES 2010).
- <sup>17</sup> Benchmark GVA is derived from total GVA generated from the construction sector divided by total employed in the construction sector in Greater London (source: ONS BRES 2010).
- <sup>18</sup> Financing and Ecotourism: Ospreys in the Lake District as a Case Study, Paul Morling, Economist, RSPB
- <sup>19</sup> Assumes average overnight visitor spend of £64. Acorn (2009) Study of the Visitor Economy – Final Report: Royal Borough of Kensington and Chelsea, London
- <sup>20</sup> LB Southwark (2011) Building London Creating Futures Workplace Co-ordinator activity
- <sup>21</sup> GVA Grimley (2009) Southwark Retail Study February 2009, London
- <sup>22</sup> Source: London Plan Annual Monitoring Report 8 (2012), GLA
- <sup>23</sup> Centre for Economic and Business Research (2011) Economic Impact of Housebuilding
- <sup>24</sup> Department of Communities and Local Government (DCLG) Lifetime Homes, Lifetime Neighbourhoods – A National Strategy for Housing in an Ageing Society, London
- <sup>25</sup> DCLG (2006); Code for Sustainable Homes, London
- <sup>26</sup> LB Southwark (2011) Residential Design Standards SPG
- <sup>27</sup> GLA (2011); GLA Draft Housing SPG, London
- <sup>28</sup> St George Plc (2012) One Blackfriars Community Engagement Report, London
- <sup>29</sup> <http://www.met.police.uk/crimefigures/datatable.php?ward=00bege&borough=md&period=year>
- <sup>30</sup> LB Southwark (2007) Section 106 SPD, London
- <sup>31</sup> Mayor of London (2012); Community Infrastructure Levy Charging Schedule – Mayor of London, London