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Ref: Cllr PJ/H9211/jcm



Re: Old Kent Road Area Action Plan and Bakerloo Line Extension

Thank you for your letter of 28.6.18 and for the follow up meeting on 16.7.18. which was held in a very positive and collaborative spirit and which I hope has given us an agreement on the direction of travel of both the AAP and the referred applications that are currently coming forward in Old Kent Road.

We both clearly share an aspiration to deliver considerable growth of the highest quality that should benefit the residents of Southwark through the provision of jobs and homes and create the confidence to enable the Bakerloo Line Extension (BLE) to be delivered. That confidence in the project, from our own residents and from the development community is key to delivering an infrastructure project that has a London wide significance, connecting 10 Opportunity Areas which in total have the potential to deliver over 100,000 homes and 130,000 jobs, with up to 20,000 homes and 10,000 jobs being delivered within the Old Kent Road Opportunity Area. It is also vitally important that we collectively make the case to government that only the delivery of the BLE will unlock the areas full potential, and that without it housing delivery would be limited to 9,500 homes rather than 20,000. This point will be emphasised strongly in the redrafted AAP. Our key points of agreement in the meeting were as follows.

Phasing. We agreed to a two phase development, the first comprising 9,500 homes that could be supported by enhancements to the existing public transport network in advance of the delivery of the BLE. The sites in the first phase have been agreed in subsequent meetings between our officers and are set out in the attached phasing plan. These first phase sites will be subject to standard 3 year consents and should enable place making to begin in advance of the BLE's completion. The second phase schemes would be subject to a Grampian agreement within the s106 that would have a three way sign off between the GLA/TfL and LB Southwark. These Grampians would fall away on the signing of the contract for the construction of the BLE (anticipated to be 2021-22). In order to encourage investment in the development of second phase schemes planning permissions would be granted for 6 year or longer periods. There

would be an annual review of both the grant of planning permissions and the implementation of schemes to confirm progress. If schemes from phase 1 had not been implemented and their consents lapsed there would be an opportunity to review the order in which development comes forward and phase 2 schemes may at that point be moved to phase 1. This would give the phasing some flexibility and robustness and would only be done with your agreement. The second phase comprises primarily larger sites in the ownership of pension and investment funds. Most of the sites have leases with current occupiers that last until the mid 2020's. We have discussed with both the freeholders and current commercial occupiers the approach outlined above and all parties have been generally receptive. As agreed my officers will incorporate the phasing plans and a description of the phasing mechanism and how that applies to individual site allocations in a further revision to the draft AAP to ensure it is given maximum planning weight to defend against challenge and to support the BLE business case. I would suggest that we start to calculate progress towards the delivery of the first phase from the date of this letter.

As discussed at the meeting we share your commitment to achieving the highest quality of place making and we consider that the proposed phasing would achieve that aim by initially concentrating the majority of development along the Old Kent Road frontage and close to the new BLE stations, (and in the case of Hatcham Road the existing South Bermondsey station) thereby helping to establish the two new town centre designations. Development will also come forward along the western alignment of the linear park delivering a key strategic open space connection to Burgess Park. Our view is that the phasing set out is robust enough to withstand challenge at the Examination In Public (EIP) should they be made, because it is based on both deliverability (related to lease arrangements) and sound place making principles.

Phase	Description	Planning consent given	Build out	Units
1	Pre BLE TWAO Approval 3 year consents	2018-2023	2019-2028	9,500
2	Post BLE TWAO Approval 6 year (or more) consents with Grampian conditions	2023-2027	2024-2036	10,500
			Total	20,000

Land Use. We agreed that the land between Ossory Road and the Glengall Road business park would become a Local Significant Industrial Site (LSIS) and that additional Strategic Industrial Land (SIL) sites would be designated at Admiral Hyson and Jamaica Road (see the attached plan). The central portion of SIL at Hatcham Road would be re-designated as LSIS and its northern and southern arms along Ilderton Road de-designated from SIL. Mandela Way would retain its LSIS designation. As you set out in the meeting this would give both authorities a stronger negotiating position to secure our aspirations for an innovative mix of commercial and industrial uses with a new residential community. It would be our intention to generally conform with the aspirations of the draft New London Plans LSIS policy approach which seeks to increase or have at least no net loss of industrial capacity when intensification of SIL and LSIS takes place. This is already set out in policy AAP6 of the draft AAP. In addition we would be happy to further stress in the text for the Mandela Way and Hatcham LSIS sub area masterplans the importance of the intensification of last mile distribution and industrial uses for both Southwark's and London's economies.

We will also set out in the AAP that new B class floorspace within schemes that would result in the loss of existing B1c, B2 or B8 accommodation will generally be designed to B1c specifications to maximise employment potential. My officers and yours are already applying this approach through the pre-application and planning application process, most recently with the Ruby Triangle scheme.

It would also be the intention of the AAP to secure the delivery of other aspects of the New London Plan policies including the provision of open space and social infrastructure to support this intensification and deliver good growth. This is demonstrated in our proposals for new parks in Mandela Way, on the gas works site and along the old Surrey Canal alignment, which would all contribute to the Mayor's manifesto commitment to make London at least 50% green by 2050; as well as through the provision of a new secondary school on Sandgate Street and primary schools on Mandela Way and in the Cantium sub area. On this basis the GLA would confirm its support for the plan lead mixed use intensification illustrated in the masterplans and built typologies in the draft AAP sub area plans for Mandela Way and Hatcham-Ilderton.

On Admiral Hyson we feel that this could operate well as SIL (it was SIL until 2007 when it was de-designated and currently has no land use allocation but has continued in use as an industrial estate). It is entirely self contained, is 100% let, and is occupied by a number of arts distribution and storage companies that are clustered in the area (albeit the leases are expiring in 2019). We do need to manage SILs intensification and also the impacts from vehicle pollution and movements, (our draft plan promotes the use of electric commercial vehicles) but feel that in a context of your draft New London Plan policy direction it would be best to re-designate this site as SIL.

As requested the summary table of the land use changes based on this agreed position is set out below.

Sites	Area (ha)
Current SIL (strategic)	64.1
Current LSIS (local)	18.8
Total existing SIL and LSIS	82.9
Proposed retained SIL in Southwark	26.72
New SIL proposed – Admiral Hyson (contained in NSP/AAP) and Old Jamaica Road (potential new site)	2.36
Total SIL proposed	29.08
LSIS - Mandela Way, west of Ossory Road and Hatcham/Ilderton	19.71
Total SIL + LSIS	48.79
Potential additional SIL in Lewisham (joint study on dive-under site)	3-4ha

Intensifying existing and proposed SIL sites. The Council is committed to intensifying industrial uses on existing and proposed SIL sites. We are currently leading by example by developing a multi story depot proposal over our car park sites at the Waste Transfer Station. We have commissioned work jointly with Lewisham and Network Rail which is proposing multi story industrial uses on the dive under site, managing industrial land strategically with our neighbours rather than just locally. As agreed in the meeting we will expand the section in our AAP that encourages intensification, by providing best examples of how that might be achieved on the retained SIL land including the privately owned SIL sites such as those on Ormside Street. The

written policy in that section of the AAP (page 148) is taken directly from the draft New London Plan, but I would be happy to supplement that further in discussion with your officers.

In addition the Council is committed to a retention and relocation strategy for existing industrial occupiers through its business network, which we will develop further. We are currently actively looking for opportunities to match businesses that need relocating with sites they can move to.

In addition the Council is in the process of purchasing significant additional land holdings in Old Kent Road to help enable and deliver this relocation strategy.

Design Review. We agreed that the Council would engage with the Mayor's design advocates to explore in more detail the mixed use and place making proposed in the AAP masterplans. My officers have now met with yours and agreed a programme to take this forward.

Town Centre Designation and place making. We agreed that Old Kent Road would comprise two District Town Centres based around the two southerly tube stations in Old Kent Road. (The Council of course continues to maintain that there should be a third tube at Bricklayers Arms). Broadly these town centres would be focused around the existing Tesco to the north and the Cantium/Toys R Us sites to the south. Indicative plans showing their broad location were provided by GLA officers at our meeting and it was agreed that further drafts would be exchanged and agreed by officers for their inclusion in a revised AAP which will also depict and emphasise our shared "High Street" objectives. We consider that Lidl and Asda should be included within the town centre designations, given their importance to the retail function of the area, the number of people they employ and the important function they play in providing access to affordable food for deprived communities. We would like to see the use of the sites intensified in line with draft New London Plan, New Southwark Plan and AAP policy and consider that having them within the District Centres would help us achieve that aim, whilst demonstrating to the local community our support for their continued operation.

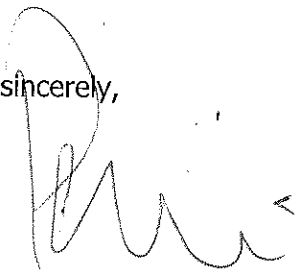
Since our meeting my officers and TfL/GLA officers have been holding further joint meetings on the proposed station sites at Tesco and Toys r Us with landowners/developers and these have been extremely useful and productive for all parties. In addition discussions are also ongoing in respect of bus, cycle and public realm contributions with a shared aim of producing a transparent, consistent and clear framework for delivering public transport and public realm enhancements in advance of the BLE. Your team's positive engagement in these discussions has been very helpful.

On the basis of the above agreed positions on phasing, land use, intensification, design review and town centre designations we agreed that GLA would issue updates to Stage 1 reports as necessary and would also update its comments on the draft AAP on the general conformity issues raised in your letter of 31 May 2018.

I believe this covers the substantive points and will provide a firm basis for a common public authority position going forward, which is essential to engendering a clear sense of direction and confidence in a project which is critical to meeting London's needs for growth as set out in the Mayors NLP.

Once again can I thank you and your officers for their positive and constructive engagement. At a time when London faces so many challenges not least a significant housing crises, the on going erosion of local government finance and the national level the threat from Brexit, it is more than ever critical that local government provides strong and effective leadership for London and Londoners.

Yours sincerely,



**Councillor Peter John, OBE
LEADER OF THE COUNCIL**

Enclosures

Copies to:

Cllr Johnson Situ, Southwark
Prof Kevin Fenton, Southwark
Simon Bevan, Southwark
Steve Platts, Southwark
Colin Wilson, Southwark
Juliette Seymour, Southwark
Sally Crew, Southwark
Kim Hooper, Southwark
Lucy Owens, GLA
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Lyndon Fothergill, GLA
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