

**Regeneration Committee site visit to Vauxhall Nine Elms Battersea
2 June 2015**

Attendees

Assembly Members	Gareth Bacon (Chairman), Richard Tracey
Assembly staff	Richard Derecki, Jo Sloman, Alex Henson
Visiting	Rachel Broughton, CLS Alex Williams, Graham Nash and Andy Brown, TfL Sandra Roebuck and John Rider, LB Lambeth Keith Trotter and Helen Fisher, Nine Elms Delivery Team Helen Evans, Covent Garden Market Authority Dawn Redpath, LB Lambeth Nick Smales, LB Wandsworth Phil DeMontmerency, Joint Coordination Unit Paul Saunders, Barratt London Bryn Parker, Deploy Sean Ellis, St James

Overview of visit

The Committee held a site visit to Nine Elms Vauxhall to receive a briefing from TfL (hosted at CLS) on the purpose of the Growth Fund and its plans for transport improvements at Vauxhall Cross. The Committee also visited the Nine Elms Vauxhall Partnership to receive an update on the progress of their regeneration programme and to discuss the employment and skills programme, and St James's Riverlight development to follow up its visit two years previously.

Discussion topics*Vauxhall Square*

Developer CLS's headquarters will become a new development called Vauxhall Square. The development will include a 50-storey tower; the first ten floors will be a long stay hotel, with the remainder residential and mixed use elsewhere on site.

CLS explained that the company examined options for Vauxhall Cross gyratory four years ago and that they welcomed plans for its redevelopment. They noted that the current road layout is dangerous for staff; it is safer to move people away from the gyratory. One of CLS's first steps in the planning stages was to hold a competition for options for movement around the gyratory (an architect suggested a skywalk concept), and discuss early plans with TfL and Lambeth.

The role of transport at Nine Elms Vauxhall

- London's transport network is already under significant pressure, with the population growing at a rate of 2 buses daily. TfL's business plan emphasises additional capacity and

sweating existing assets. Its core investment concerns building additional capacity, and it has other projects focused on transport unlocking growth.

- The Opportunity Area Planning Framework has been key to catalysing regeneration, because it defined Vauxhall Nine Elms Battersea as part of the Central Activities Zone. The planning framework considered development under several scenarios; 3 without, and 2 with a Tube connection. TfL examined options for a spur from the Victoria Line, but it was too congested. They also considered the option of developing Battersea Park main line, and a tram link. Steer Davies Gleave proposed an Underground extension in 2006. In 2008 the Mayor and Sir Simon Milton (former Chief of Staff) designated the area as an Opportunity Area.
- The funding mechanism for 2/3 of the costs for the Northern Line Extension (NLE) is through Tax Incremental Financing (TIF) of an 'Enterprise Zone' without the planning powers; this innovative instrument is key, because the NLE was not in TfL's investment programme. The NLE is one-third funded by developers.
- TfL explained that using this mechanism in the area is relatively easy to justify; there is a 10-year timeframe for conception to delivery, and land values are very high with the area containing prime real estate, overlooking the river.

The Growth Fund – general

- TfL explained that its Growth Areas Programme monitors and supports growth in a wide range of identified Growth Areas across London, including the fourteen schemes currently funded by the Growth Fund.
- TfL explained that some developments would not secure planning consent if the transport projects were not fully funded by the developer. Following the financial crash, developer viability became more difficult, which affected developments at places such as Elephant and Castle and the Ram Brewery site (Wandsworth). The £360 million Growth Fund was set up to unlock growth by targeting TfL investment to support other public or private funding for transport works associated with unlocking key development sites or opportunity areas.
- The Growth Areas Programme involves close working with the GLA. Monthly meetings are held between the Deputy Mayor for Transport, Deputy Mayor Sir Ed Lister and Deputy Mayor for Housing Richard Blakeway.
- Many Growth Fund schemes are in Opportunity Areas or areas for intensification. Four new schemes were added in 2015. There are links between Growth Fund and Housing Zone sites; Beam Park is a good example of the Growth Fund working with Housing Zones to unlock new residential development.

The Growth Fund – TfL's plans for Vauxhall Cross

- The Development Infrastructure Funding Study (DIFS) for Nine Elms Vauxhall recommended an £11 million private sector contribution to Vauxhall Cross gyratory; acknowledging the major contribution developers are making to the Northern Line Extension.
- The gyratory is dominated by traffic, but 70 per cent of passenger flow comprises pedestrians, cyclists and public transport. The gyratory functions well as a transport interchange (linking to the second busiest bridge across the Thames), but not as a welcoming gateway. Currently, 40,000 passengers pass through daily, and rail boarding or alighting is forecast to increase by 76 per cent and walking and public transport in the Vauxhall area by 140 per cent by 2026.

- TfL is removing the one-way traffic system around Vauxhall Cross and returning the streets to two-way working. TfL examined options for widening the rail viaduct, however, it was very costly, so TfL has undertaken a process of design refinement. Remodelling the junction will change where traffic stacks. Unravelling the current queuing system will change traffic input to the gyratory and reduce speed.
- Vauxhall Cross will require a 2-year construction programme. Lane rental charges will apply, which encourages working outside peak hours. There has been positive working with developers to manage impacts. There will also be changes in traffic patterns from Cycle Superhighway 5 and other planned work.
- TfL consulted stakeholders on three general principles of the scheme: the removal of the gyratory and changing to 2-way working; changes to the bus station; and creating a new gateway centre. The responses demonstrated broad support for the scheme with over 70% of respondents in support of converting the one-way gyratory to a two-way road system, although some residents expressed some dissatisfaction and there was a strong campaign to retain the bus station. Battersea residents, in particular, were concerned about the ability to interchange between rail, Tube and bus services at Vauxhall. This was an initial consultation on general principles only, and did not include detailed plans or journey time impacts. When further information was provided, more residents supported the proposals. TfL explained that it did not intend to remove the bus station. The proposals are to create a new high street and retain a bus interchange area, which TfL hopes will lead to a new development on the Wendover site.
- The scheme is creating 14,000 m² of new public space (equivalent to Trafalgar Square). TfL explained that there is a strong business case for the works. The project has a benefit: cost ratio (BCR) of approximately 4.1:1 (TfL noted that some projects are good at supporting BCRs, but others are not). The scheme has now moved to concept development.
- The Growth Fund is not only about BCR, which focuses heavily on transport benefits and impacts, but it also concerns creating a strategic business case. For example, at Elephant and Castle, there are multiple reasons for transport improvement, including significant development, and improving cycle safety (the junction has a poor accident record). The development will slow movement through the junction, therefore it will generate a lower BCR.
- The responses to the initial Vauxhall Cross consultation raised some specific questions about the proposals and TfL is using the outcomes of the consultation and engaging with key stakeholders to inform the development of detailed proposals for further consultation later in 2015. It is also working on public/urban realm developments with Lambeth to create a vibrant district centre. TfL explained that its work will enhance housing values and commercial potential. LB Lambeth commented that the works are encouraging office growth, which benefits employment growth.

Update on the wider Nine Elms Vauxhall regeneration programme

General

- The Opportunity Area boundary was extended in recent changes to the London Plan, bringing the area to 227 HA. The new NLE stations will be in Zone 1.
- The overall development value is in excess of £15 billion. The previously large impermeable industrial site represents a huge scale of opportunity, including 6.5 million m² of new commercial space; 3.2 million of which will be office space. Of 34 major schemes, 31 sites have planning permission and 15 are currently on site. Vauxhall will accommodate a tall

buildings cluster; with the area containing 15 per cent of London's tall buildings. There is a significant task to coordinate all sites and to make the area one 'place'.

- The Nine Elms Vauxhall Partnership has recently undergone a governance review, resulting in a recommendation to extend the partnership to September 2018. The review considered legacy management (how the partnership's functions will be handed to various agencies), and changes to the board.
- All affordable housing and social infrastructure is funded by developer contributions, which are dependent on planning gain. A study by BNP Paribas for the area found that as land values have increased, so has viability.
 - Of 20,000 new homes overall, (up from the initial London Plan target of 16,000), between 3,500 and 4,000 affordable housing units will be built on site. The area will include a mix of different housing products, including an innovative private rented sector scheme; affordable ownership; and there will be new social housing behind Vauxhall City Farm.
 - The NLE will receive developer contributions worth £266 million (the majority from within LB Wandsworth). This funding will support the GLA's £1 billion loan to fund the scheme; the remainder will be generated by Tax Increment Financing.
 - A further £200 million of developer contributions will be required to invest in other infrastructure (for example, an indicative figure of £2.5 million will go towards health). Work is underway with NHS England and the Clinical Commissioning Groups to develop a business case for health infrastructure and identify the resources required.
- Battersea Power Station will comprise almost 3,500 new homes. The development is being built in different phases; the first including 800 new residential units, plus commercial space. There will be a new park in front of Battersea Power Station.
- The US Embassy site will be completed in 2017. It will bring 800 extra workers and 1,000 visitors to Vauxhall daily (before the NLE is complete).
- The Nine Elms Vauxhall Partnership is also working to create a cultural destination offer, which will include galleries. The Partnership noted that it wants to work more closely with the GLA on the cultural offer. The area is experiencing increased interest as a cultural corridor (for example, attracting a new gallery hosting work by Damien Hirst). New visitors are expected to boost the local economy.

Covent Garden Market

- Covent Garden Market currently trades 40 per cent of the fruit and vegetables eaten outside the home in London; selling predominantly to the hospitality industry. The majority of the market accommodates wholesale to market businesses. CGMA explained that the market has been on its current site for 40 years. It has not been possible to change the infrastructure, and the existing buildings do not provide an optimal trading environment. The existing building does not allow for food processing and the whole building is unnecessarily temperature controlled, which makes it environmentally and economically inefficient. Parking is also an issue. The trading space was 99 per cent occupied in 2014, but it is currently lower.
- The market comprises 200 businesses and there will be a rolling decant from the current premises so that they can keep trading. The new market building will take 7 years to deliver. Beginning in summer 2015, it will have an interim position from 2016, with the new market opening in 2023. The new development will include waste facilities and football pitches. It

will also provide a business–customer interface as well as B2B; both functions will be hosted in the same building, with a new ‘Garden Heart’ as the public face of the market.

- As a public body, Covent Garden Market Authority reports to DEFRA. CGMA explained consultation with tenants from the start has been key. The consultation process has not always been easy, as some traders have been at the market for several generations, and some have had concerns over the effect of the move on small businesses.

Employment and skills

- Nine Elms Vauxhall is in a unique situation as the largest regeneration programme underway in London. It will have 22,000 construction workers, and 8,500 during peak construction in 2016. LB Wandsworth and LB Lambeth work on employment and skills commitments with developers through Section 106 agreements. The S.106 agreements define the area of local benefit (Wandsworth and Lambeth) and there is a requirement for developers to enter into an employment and skills plan, which establishes targets for the number of jobs, apprenticeships, and work experience placements. Some of the agreements include end use jobs.
- A Joint Coordination Unit (JCU) was established in 2014 to provide local employment infrastructure. The unit liaises with the resident-facing borough brokerages, so that they are supported into the labour market. The JCU is a two-way valve, designed to challenge barriers to employment. A small team provides a single point of contact for developers and contractors. The JCU works with colleges to structure training and provide feedback about what skills are needed.
- The unit has had to drive funding for the employment and skills offer through the S.106 agreements, which is not sustainable. The unit has found that the FE sector (through the Skills Funding Agency) has been unable to fund fit-for-purpose training. The unit observed that it had received limited external financial support. The unit has presented to the LEP board and the skills sub-group to attract additional support. Of the limited funds available, the LEP has repatriated some of the New Homes Bonus; Wandsworth and Lambeth are using some of this funding to procure construction skills training to run in 2015/16.
- The unit observed that there are stark differences between this area and the plans for jobs and skills in the Olympic project, noting that the ODA was a single body which was able to drive the agenda through a single large contractor. The LDA also provided support funding through the Local Employment and Training Framework, to drive access. The group considered that devolution of funding would help local authorities shape the market more effectively by allowing local determination of funding allocations. There are opportunities to do this on a sub-regional basis.
- Participants explained that there is a mismatch between current education provision and the job market. The JCU has identified the top 10 trade areas, and found that colleges were not providing for some; particularly the fitting trades, such as defenestration and drylining. Colleges are generally not delivering Construction Safety Certificates (CSS), therefore the JCU has worked to get these added to the training offer. Trainees have to travel outside London for plant training. Participants observed that colleges are not keeping up with demand, and only 10 per cent of students are going into industry. Employers need to get into colleges early to expose students to industry. The JCU has been in contact with the Construction Industry Training Board (CITB) but there is no provision for a tutor. However, they have found an NVQ provider and sub-contractor and carried out some business development to prepare colleges. As a result, there is now an emergent marketplace for drylining.

- Developer Barratt London has been on site for just over a year. It employs 18 local residents at the Sainsbury supermarket site. The developer commented that employment and skills aspirations are often not backed up, however, it has had some good results and one trainee has become a full-time site manager. While the developer has had some easy wins, 70 per cent of its employees are foreign. Sub-contractors have to take on entry-level trainees, and people need support to become more 'workforce ready.'
- A new Battersea Academy of Skills and Excellence (BASE) is planned around Battersea Power Station (it requires sign-off by the council). BASE will be targeted at the post-construction workforce at BPS, and it will provide a higher order training facility for tenants, including leadership and management training.

St James Riverlight development (Berkeley Group)

- St James's Riverlight complex is a residential development with commercial units on the ground floor. St James sold the units between 2011 and the end of 2014.
- As part of Berkeley's arts strategy, the developer has donated space to the Royal College of Arts (RCA) for a 5-year period. After this, the RCA will have the option to rent the space on commercial terms. The other units have a range of commercial uses. Development occupies a 25 per cent footprint of the Riverlight site, with the remaining 75 per cent open space.
- The first St James site contains 813 homes, of which 116 are affordable. S. 106 and CIL contributions have increased over the period due to indexation. Uptake of commercial space has been very quick.
- St James has around 500 homes planned on the Albert Embankment. Original plans included affordable housing in the building, but the developer has now agreed to build 300 homes off-site for LB Lambeth. There will also be new affordable housing for the elderly. Gallery space was proposed but the council's Planning Committee designated for office (B1) use. Concerns were expressed around the loss of employment space.
- The Battersea Gasholder site comprises 839 homes and it will contain 25 per cent affordable housing, and education and nursery facilities, along with food retail.
- 251 people are employed directly across 3 sites, and three times as many are employed indirectly. There are issues both with engaging the future workforce, and the speed of development. St James informed the Committee that it runs a boot camp in Greenwich to gauge the level of interest among prospective apprentices. The developer observed challenges with colleges meeting demand, citing the lack of courses in cladding as an example. Further Education providers and colleges need to meet demand in the area. There are also challenges with making sure some prospective employees are work-ready. Furthermore, mentoring is important to avoid attrition.
- St James has changed how it works with education providers, because the previous system was not working. The developer observed the need to engage pupils at grassroots level, therefore it now approaches schools directly, and has built links with Lilian Baylis School and the Harris Academy.