

Mayor and Cabinet

Report title: Property agreement between LB Lewisham and Transport for London to facilitate the Catford Town Centre A205/A21 road improvement scheme

Date: 6 December 2023

Key decision: Yes

Class: Part 1

Ward(s) affected: Rushey Green

Contributors: Director of Inclusive Regeneration, Director of Public Realm, Director of Finance, Director of Law

Outline and recommendations

- 1.1. This paper seeks delegated authority to negotiate and enter into a property agreement with TfL for land required to facilitate the delivery of the A205/A21 road improvements. This agreement is subject to TfL securing planning permission, Major Road Network funding and all other land interests required to facilitate the scheme. Delegated authority is required now to support TfL's programme and negotiations with other land interests.
- 1.2. That the Mayor and Cabinet:
- 1.3. Delegate authority to the Executive Director of Place to:
- 1.4. Submit an application to the Secretary of State for specific consent for disposal at an undervalue to facilitate the completion of the A205/A21 road improvement works;
- 1.5. Negotiate the final terms and subsequently enter into the property agreement with TfL to cover the land required to facilitate the delivery of the A205/A21 road improvements including:
- 1.6. The disposal of land located in the Canadian Avenue car park and overflow car park shown in plan 1 to TfL at practical completion of the A205/A21 road realignment scheme, and
- 1.7. The acquisition by the Council of TfL land shown in plan 2 at practical completion of the A205/A21 road realignment scheme
- 1.8. Subject to TfL securing the following:
 - Planning permission
 - Major Road Network funding
 - All other land interests required to facilitate the scheme;
- 1.9. Agree such temporary arrangements as are necessary (e.g. access licences) to facilitate the completion of the A205/A21 road improvement works
- 1.10. Note the current progress on the A21/A205 road improvement project.

Timeline of engagement and decision-making

Full background information, detailing the previous key decisions made by the Mayor & Cabinet to take a Masterplan approach in Catford, and to re-align the South Circular road through the town centre can be found in the 9 November 2016 <u>Mayor & Cabinet report</u> and the 19 July 2017 <u>Mayor & Cabinet report</u>.

On 19 July 2017, <u>Mayor & Cabinet</u> approved realigning the A205 to the south of Laurence House. The road decision was an essential first step in developing a spatial plan and place-making strategy for Catford's regeneration.

In July 2018, the council appointed Studio Egret West to develop a draft Catford Masterplan for public consultation. On 14 July 2021, <u>Mayor & Cabinet</u> adopted the Catford Town Centre Framework.

On 11 December 2019, <u>Mayor & Cabinet</u> approved the allocation of £10m Housing Infrastructure Fund (HIF) funding to support the delivery of the A205 and entry into a grant funding agreement with the GLA.

On 8 July 2022, <u>Mayor & Cabinet</u> delegated authority to the Executive Director, Housing, Regeneration & Public Realm, in consultation with the Executive Director of Resources to negotiate and subsequently enter into a funding agreement with TfL to cover the use of £10m Housing Infrastructure Fund monies.

On 19 July 2023, <u>Mayor & Cabinet</u> approved the allocation of up to £3.7m Community Infrastructure Levy as the council's match funding to support the scheme.

Consultation for the A205 road realignment project completed in June 2023. Implementation of works is expected in March 2025. Completion is due by March 2027.

"It is recommended that under Section 100 (A)(4) of the Local Government Act 1972, the public be excluded from the meeting during discussion of this item because it involves the likely disclosure of exempt information as defined in paragraphs 3, 4 and 5 of part 1 of Schedule 12A of the Act as set out below and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

• Information relating to the financial or business affairs of any particular person (including the authority holding that information)."

1. Summary

- 1.1. This paper seeks delegated authority to negotiate and enter into a property agreement with TfL for land required to facilitate the delivery of the A205/A21 road improvements. This agreement is subject to TfL securing planning permission, Major Road Network funding and all other land interests required to facilitate the scheme. Delegated authority is required now to support TfL's programme and negotiations with other land interests.
- 1.2. The property agreement covers the proposed transfer of a number of titles within the Canadian Avenue car park. Some are to be transferred in part and some in full. TfL may need to carry out advanced works before a transfer to support the delivery programme. Following completion of the scheme, TfL will transfer a number of titles to LB Lewisham which are along the existing location of the A205. Section 278 works will also be included within the agreement.
- 1.3. Following the completion of the road realignment works and the realignment of the Laurence House access TfL will adopt the new Catford Road as TfL Road Network (TLRN / Red Routes). Following this the current Catford Road will be dedesignated as TLRN.
- The proposed disposal to TfL will require the consent of the Secretary of State for the disposal of the land, following the requirements of Section 233(3) of the Town and Country Planning Act 1990.

2. Recommendations

- 2.1. That the Mayor and Cabinet:
- 2.2. Delegate authority to the Executive Director of Place to:
- 2.3. Submit an application to the Secretary of State for specific consent for disposal an undervalue to facilitate the completion of the A205/A21 road improvement works
- 2.4. Negotiate the final terms and subsequently enter into the property agreement with TfL to cover the land required to facilitate the delivery of the A205/A21 road improvements including:
- 2.5. The disposal of land located in the Canadian Avenue car park and overflow car park shown in plan 1 to TfL at practical completion of the A205/A21 road realignment scheme, and
- 2.6. The acquisition by the Council of TfL land shown in plan 2 at practical completion of the A205/A21 road realignment scheme
- 2.7. Subject to TfL securing the following:
- 2.8. Planning permission
- 2.9. Major Road Network funding
- 2.10. All other land interests required to facilitate the scheme.
- 2.11. Agree such temporary arrangements as are necessary (e.g. access licences) to facilitate the completion of the A205/A21 road improvement works

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Please give us feedback so we can improve. Go to <u>https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports</u> 2.12. Note the current progress on the A21/A205 road improvement project.

3. Policy Context

- 3.1. The Catford Town Centre Framework contributes to the implementation of the Council's Corporate Priorities as detailed in the "Corporate Strategy 2022-2026" document which are:
- Cleaner and greener
- A strong local economy
- Quality housing
- Children and young people
- Safer communities
- Open Lewisham
- Health and wellbeing
- 3.2. Lewisham's new Local Plan will build on the existing growth strategy contained within the Core Strategy 2011, which identifies a growth corridor extending from New Cross and Deptford to Catford. Lewisham's new Local Plan proposes a strengthened focus on Lewisham's places, to ensure that development is positively managed with communities over the long-term for the benefit of all.
- 3.3. Lewisham Council declared a climate emergency in 2019, committing to reach an ambition to be carbon neutral by 2030. Change and growth must be positively managed, to build green infrastructure and harness opportunities for walking and cycling alongside more sustainable forms of development in the borough. A number of other strategies and plans also support the need for the Framework from a planning policy perspective.
- 3.4. The Catford Town Centre Framework forms part of the evidence base for the new Lewisham Local Plan's place-making approach. The process of plan making involves significant information gathering and specialist studies at the front end of the process. This information is then used to set policy options and preferred approaches for the plan going forward. Local plans are required to meet prescribed 'tests of soundness' as set out in the NPPF. This includes that they must be 'justified' by evidence. The evidence base will be published alongside the submission Local Plan and be subject to scrutiny through the independent examination process. The Catford Town Centre Framework will form part of this evidence base along with other Area Frameworks.
- 3.5. The London Plan has identified opportunity areas across London to help meet the challenges of economic and population growth. These opportunity areas represent London's largest development opportunities. The Plan identifies Catford as a Major town centre within the London retail hierarchy and as an opportunity area where more intensive development is supported.
- 3.6. The focus of the National Planning Policy Framework (NPPF) is on a presumption in favour of sustainable development and positive growth. The NPPF provides a high-level planning policy context for Catford,

setting out the evidence base requirements for town centre uses and encouraging local authorities to meet town centre needs in full. This is particularly relevant for Catford, given the need to maximise opportunities for the regeneration of the town centre while responding to local needs.

4. Background

- 4.1. TfL and the council have been progressing the road realignment and town centre improvement scheme. TfL completed consultation of the scheme in June 2023 after running for six weeks. TfL's response to the consultation will be published on their website in due course.
- 4.2. The proposed realignment will move the A205 South Circular to the south of Laurence House, running through the Canadian Avenue car park, to join the junction of Sangley Road and Brownhill Road to the east of the car park. This realignment is reliant on the council releasing the Canadian Avenue car park.
- 4.3. TfL also require the temporary use of the former lorry park to the south of the Canadian Avenue car park for a temporary works site.
- 4.4. Following completion of the scheme TfL will transfer land which will form part of the new public realm to the council.
- 4.5. The interfaces between TfL's proposed scheme and Lewisham highway will also need to be covered by section 278 agreements, which will also be included in the agreement.
- 4.6. A property agreement between the council and TfL is required to formalise the various property elements required for the scheme.

5. Canadian Avenue car park

5.1. The Canadian Avenue car park is the primary car park used by Laurence House staff. During the works staff who need to travel to Laurence House by car (due to disability requirements and exceptional circumstances) will be able to park in the basement car park of Laurence House. Those staff who are not eligible to do so will be able to park in Holbeach Road car park.

6. Summary of property required

- 6.1. A number of titles are included within the Canadian Avenue car park (plan 1). Some are to be transferred in part and some in full.
- Title 273734 transferred in part
- Title 320878 transferred in full
- Title 339739 transferred in part
- Title SGL72081 transferred in part
- Title 396470 transferred in part
- 6.2. These titles currently have a restriction on disposals in favour of the Greater London Authority (GLA) which will need to be removed as part of

Please give us feedback so we can improve. Go to <u>https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports</u> the transfer. The council has entered into a grant agreement with the GLA which includes provision for permitted disposals to TfL, so this is not considered to be an issue.

- 6.3. There is currently a lease between the council and JC Decaux for an advertisement hoarding to the east of the car park which will need to be terminated in sufficient time to allow TfL to undertake the works with vacant possession of the site. The lease is due to expire in 2028. Planning permission was granted in 2017 for a total of 5 years only. The grant of planning permission stated that: TfL are currently investigating options for the removal of the Catford Gyratory system with delivery of this scheme earmarked for the early 2020s consistent with the Catford Town Centre AAP. Due to the realignment of the South Circular to the rear of Laurence House this digital billboard would need to be removed to help enable the highway changes necessary to facilitate the removal of the Gyratory.
- 6.4. Under Ground F of the Landlord and Tenant Act 1954, the council is able to give three months written notice to terminate the lease if it can prove it intends to demolish or reconstruct the premises or a substantial part of those premises, or to carry out substantial works of construction on the property or on a part of it, and that it could not reasonably do so without obtaining possession. This is not considered to be problematic as the council, via TfL will be able to provide this evidence base.
- 6.5. Following completion of the works, the council will acquire the following titles in part from TfL (see plan 2).
- Title 375613 transferred in part
- Title 175387 transferred in part
- Title 17992 transferred in full
- Title TGL334911 transferred in full
- 6.6. The council will also acquire a small part of title 139777 (see plan 2) which will be surplus to requirement when the road completes. This land is currently held by St Dunstan's. It will be transferred with a restriction so that the land cannot be used for any commercial use. The land transfer may also be subject to the Crichel Down rules, whereby the acquiring authority is obliged to offer the land back to the former owner. Given its location, being severed from the playing field, it is expected that St Dunstan's will not require the land to be returned.
- 6.7. A significant amount of land which forms the TLRN is unregistered. This is not unusual for highway as the requirement to register land at the Land Registry only became compulsory in 1990. The area shown in plan 4 will become Lewisham Highway following completion of the scheme and will be the area of new public realm in the town centre, along with the transferred titles.

7. Summary of proposed schedule of land transfers

7.1. TfL may need to undertake advance works such as on utilities on the Plan 1 land and agreement needs to permit early access to carry out

these works where required in advance of taking full possession (potentially up to 6 months prior) and transfer of title, as long as limited impact (to be defined). TfL will also need to complete a schedule of condition for the worksite (the former lorry park).

- 7.2. TfL will issue a four week notice to grant of the licence for the worksite which will be for approximately 18 months with the right to extent, depending on the progress of the works. This would be exclusive possession of the site.
- 7.3. TfL will issue a four week notice to take possession of the land shown in plan one. TfL will also take possession of the former lorry park for their works compound for the duration of the construction (see works licence 3 shown in plan 3). TfL will also take possession of areas around Laurence House and the area where the current access is for the underground car park at different points in the construction process (see works licence 1 and 2 shown in plan 3).
- 7.4. Following the completion of the road realignment works and the realignment of the Laurence House access TfL will adopt the new Catford Road as TfL Road Network (TLRN / Red Routes). Following this the current Catford Road will be dedesignated as TLRN and TfL will conduct works to remove or decommission TLRN infrastructure from the current Catford Road. The area will be reworked with new kerb lines and new servicing to form the edge of the new pavement and road alignment. TfL will complete the realignment of Laurence House access to the old Catford Road.
- 7.5. At this point the council will acquire the following titles in part from TfL (see plan 2):
- Title 375613 transferred in part
- Title 175387 transferred in part
- Title 17992 transferred in full
- Title TGL334911 transferred in full
- Title 139777 transferred in part (subject to Crichel-Down rules)
- 7.6. TfL will then hand back the worksite land following reinstatement works as required with certification by TfL contractor and hand back signed off to LBL.

8. Summary of valuation

- 8.1. The council appointed Avison Young to undertake a valuation for the council interests which are due to transfer to TfL to ensure the requirements under Section 233(3) of the Town and Country Planning Act 1990.
- 8.2. To support the viability of the scheme the council is proposing to transfer the land discussed at section 6 to TfL at nominal value, which is below the best consideration which could achieved.
- 8.3. As the disposal is to be for less than the best consideration that can be achieved Section 233(3) of the Town and Country Planning Act 1990

requires the Council to obtain the approval from the Secretary of State before the disposal can be made to TfL. While there is a general consent available when the undervalue is £2m or less, in this case the undervalue is more than £2m and therefore the Secretary of State's express consent must be applied for and obtained in advance of the transfer.

8.4. The realignment of the A205 and improvements along the A21 are crucial to support the Council's wider ambition for Catford, as set out in the Catford Town Centre Framework, including the delivery of up to 2,700 new homes across the town centre, at least 6,000m2 of new public space, and opportunities for increased businesses and jobs. The road scheme will improve safety for road users and pedestrians through new and improved road crossings, segregated cycle ways and much wider pavements. Moving the road will also reduce exposure to poor air quality and allow for substantial planting and greening to existing and new spaces along the TLRN.

9. Use of Community Infrastructure Levy

9.1. On 19 July 2023, council officers secured approval for up to £3.7m of Community Infrastructure Levy (CIL) for the council's match funding contribution for the scheme. The payment of the CIL will be covered within the funding agreement between the council and TfL which governs the use of Housing Infrastructure Fund, for which the council secured delegated authority approval on 8 July 2022.

10. Financial implications

- 10.1. The current M&C approved budget for the project is £60.5m. This is due to be financed by the below funding streams: £10m HIF grant; £44m MRN grant; £3.2m TfL contribution; £3.7m CIL allocation.
- 10.2. The HIF & MRN Grants both have conditions attached, which if not met, may result in repayment of some or all the grant.
- 10.3. While the HIF grant has been secured, the MRN grant has yet to be secured by TfL which could result in alternative sources of funding needing to be used. See Section 9.3 for more detail.
- 10.4. To date there has been spend of £0.65m, primarily in 2023/24. This was funded by a combination of HIF & TfL Contribution.

11. Legal implications

- 11.1. The Council has been advised by Birketts LLP throughout this transaction.
- 11.2. This report seeks approval for the Council to dispose of certain parcels of its land, acquire certain parcels of TfL land and grant TfL such additional temporary rights of access as are necessary to proceed with the A205 road realignment works and delegates authority to agree the detailed terms of the relevant agreements to the Executive Director of Place.
- 11.3. Section 120 of the Local Government Act 1972 permits the Council to acquire land for the benefit, improvement, or development of their area. The Council therefore has sufficient powers to acquire the TfL land as

proposed in this report.

- 11.4. Section 233(3) of the Town and Country Planning Act 1990 allows the Council to such person, in such manner and subject to such conditions as appear to be expedient in order to secure the best use of that or other land provided in this case, because less than best consideration will be received, the consent of the secretary of state is first obtained. Prior to the disposal it is anticipated that the Council will first appropriate the land for planning purposes and this will be the subject of a future report to Mayor and Cabinet.
- 11.5. Where property is disposed of at an undervalue, the Council must further consider whether the terms of the disposal comply with State Subsidy laws. The disposal of the land is intended to deliver a general public benefit and is not intended to be used primarily to carry out an economic activity. As such, taking into account that the land is to be disposed of to TfL acting in its public capacity, the disposal will not be within scope of the Subsidy Control Act 2022 and is not a subsidy.
- 11.6. The property agreement proposed to be entered into between TfL and the Council will specify that completion of the disposal and acquisition of the land will be contingent on various events occurring first, including planning permission for the realignment works and funding being granted. Once conditions to completion have been satisfied, the parties will be legally obliged to complete the transaction.

12. **Equalities implications**

- 12.1. The Council must have due regard to its Public Sector Equality Duty as set out in the Equality Act 2010. This requires all public bodies, including local authorities, to have due regard to the need to:
- 12.2. Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
- 12.3. Advance equality of opportunity between people who share a protected characteristic and those who do not
- 12.4. Foster good relations between people who share a protected characteristic and those who do not
- 12.5. The Council's Single Equality Framework 2020-2024 provides an overarching framework and focus for the Council's work on equalities and helps ensure compliance with the Equality Act 2010.
- 12.6. TfL have an Equality Impact Assessment for the road realignment scheme which is updated on a regular basis. The Equality Impact Assessment which TfL used in their consultation can be found online here:

https://haveyoursay.tfl.gov.uk/21874/widgets/62183/documents/40894

13. Climate change and environmental implications

13.1. Improving the town centre so that it is easier to walk and cycle will contribute to addressing the climate emergency.

14. Crime and disorder implications

14.1. There are no crime and disorder implications arising from this report.

15. Health and wellbeing implications

- 15.1. The Catford Town Centre Framework upholds the ambition for Catford to be the greenest town centre in London and to regenerate through design that generate health and well-being.
- 15.2. Improved opportunities for walking and cycling in Catford will be implemented, providing greener environment and surroundings to benefit those living, working and visiting Catford.
- 15.3. The Framework proposals for the development of the town centre will seek to deliver social integration through the enhancement of public realm that will link to areas that incorporate work, business and leisure activities amongst the green and aesthetically pleasing redesign of public spaces.
- 15.4. These interventions aim to promote better health by providing an environment where users can feel safer and more encouraged to enjoy the benefits of walking, cycling and leisure pursuits offered by the town centre.

16. Background papers

16.1. The Catford Town Centre Framework: <u>https://lewisham.gov.uk/inmyarea/regeneration/catford-regeneration/catford-town-centre-framework</u>

17. Glossary

Term	Definition
TfL	Transport for London are the integrated transport authority responsible for meeting Mayor Sadiq Khan's strategy and commitments on transport in London. They run the day-to-day operation of the Capital's public transport network and manage London's main roads.
DfT	The Department for Transport is a ministerial department responsible for the English transport system and a limited number of transport matters in Scotland, Wales and Northern Ireland that have not been devolved.
MRN	The major road network is a middle tier of the country's busiest and most economically important local authority 'A' roads, sitting between the national Strategic Road Network (SRN) and the rest of the local road network.

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19. Appendices

- 19.1. Appendix 1 Plan 1 Proposed Land Transfers to TfL
- 19.2. Appendix 2 Plan 2 Proposed Land Transfers to LB Lewisham
- 19.3. Appendix 3 Plan 3 Proposed Works Licence Areas
- 19.4. Appendix 4 Plan 4 Proposed TfL Highways Land to become Lewisham Highway