

Taking the Tube to Battersea

The Northern Line extension to Nine Elms and Battersea will bring benefits for business and growth says Jo Valentine



Baroness Jo Valentine is chief executive of London First

Since it closed in 1983, Battersea Power Station has stood empty and forlorn – an indictment of our failure as a city to develop a credible plan for its regeneration. But with the plans now being set out for Battersea Power Station, the wider Opportunity Area (VNEB OA) and the Northern Line Extension (NLE) all this could be about to change.

There is no doubting the transformative potential of the plans being set out by Treasury Holdings and others which promise the regeneration of an iconic structure and surrounding area that has been neglected for too long. These propose the creation of an entirely new district for London, with potential for 16,000 new homes and 27,000 new jobs across the area; and vastly improved transport connections for the area's existing 15,000 households. The wider redevelopment has the potential to knit together and support other local regeneration projects including improvements at New Covent Garden Market, the new landmark US Embassy building and the proposed redevelopment around the Vauxhall interchange.

Of course, we've been here before. John Broome (in the 80s) and Parkview (in the 90s) both saw their plans for Battersea fall away. So why might things be different this time?

Pessimists would point to the current economic and fiscal context, characterised by slow growth, the increased challenge of financing big deals and a real squeeze on public spending. These facts are all true, of course. But I've always been an optimist by nature and would like to set out here the conditions needed to enable this development to proceed – and in particular the roles that central government, the Mayor, and London business would need to play to make the transformation of Battersea and Nine Elms a reality.

First, central government. It is clear

that one of the main priorities of this Government is to stimulate growth. Its autumn 2010 spending review demonstrated a clear willingness to target public investment at those areas and projects that would best support growth – which in London was good news for Crossrail and the tube. Since then, we have seen a great deal of energy channelled into developing a policy framework to support growth – witness the flowering of initiatives, such as Tax Increment Financing, Business Rate Retention, the Business Increase Bonus, Enterprise Zones and Mayoral Development Corporations.

The main risk now is that we get lost in a policy alphabet soup. We need to see some rapid progress from Government in fleshing out the detail of how these policies will work in practice. In particular, the Government needs to mesh together its localism aspirations with its growth aspirations. It's no good empowering local communities if they don't have the resources or ability to actually deliver results. A change of policy on TIF or business rates, for example, could play an important part in enabling a Borough such as Wandsworth to make a financial contribution towards the sorts of transport enhancements that might be needed to allow development to go ahead.

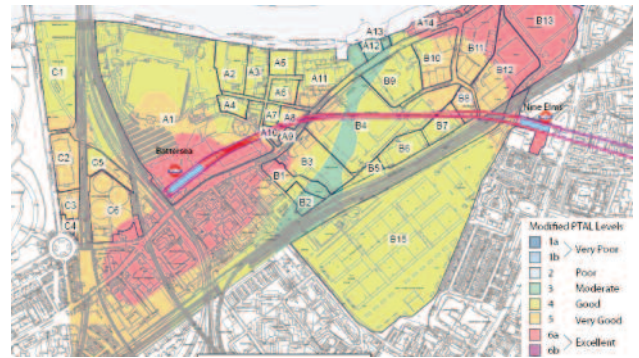
Second, the Mayor. In the past 10 years we've seen the enormous benefits for



London of having an elected mayor – of whatever colour – who can stand up for the capital. A project of the scale of Battersea needs leadership – and there is no better figure than the Mayor to provide that. There is a key role here in exciting people about the potential for the area, encouraging and challenging the different tiers of government and helping broker solutions – including through policy change or funding support. This is exactly what we saw with both Ken and Boris on Crossrail – and what we've seen from the Mayor in recent weeks on the London River Park concept. Clearly the Mayor and his team have been very supportive of the redevelopment of Battersea – and I'd be surprised if that changed under the Mayor's new chief of staff, Wandsworth's Eddie Lister. As we look ahead to the mayoral election in May next year, we may well see the candidates competing to promote the redevelopment of Battersea – a bit of competition which many will be happy to encourage.

Finally of course, London's businesses. No redevelopment like this can succeed

Baroness Jo Valentine is Chief Executive of business membership organisation London First, representing to national and local government the most pressing issues affecting the capital.



RIGHT: Public transport accessibility with the Northern Line extended to Battersea. SOURCE: Halcrow

without the support of business to help promote, fund, finance and deliver it. That's not, however, an invitation to Government to stand back and wait for the private sector to solve all these problems on its own. For a development area of this scale there'll always be a major role for the public sector. But where business in an area knows it will get a return from putting in the investment – then it is prepared to do its bit.

We've seen that on Crossrail, with the Business Rate Supplement. And of course we've seen it in Business Improvement Districts where businesses within a narrowly defined area have actually voted to pay more where they know it will be used to address the issues about which they are most concerned. In the current economic climate there is, of course, a limit to what business can contribute. Whatever obligations are placed upon developers - which may be used to help fund the NLE - such obligations must not prevent the development from proceeding in the first place.

But I know London business will do what it can to help make this vision a reality. With imagination, determination and leadership I hope we'll finally see the regeneration of Battersea go ahead.

Funding issues

Development Infrastructure Funding Study: Undertaken by consultants on behalf of GLA, Lambeth and Wandsworth boroughs and landowners in the area, the aim of the study was to understand what infrastructure is required to support the proposed new development within the Opportunity Area, based on a number of different development scenarios. This study also looked at what contribution could be collected from developers to support the provision of infrastructure without jeopardising viability, identified how this money could be split between the NLE and other infrastructure projects in the area, and assessed the funding gap between what is required to deliver the infrastructure and what developers could afford to contribute towards this total. The study concluded that, subject to market recovery, £659 million of developer contributions could be obtained from the VNEB OA through to



2031. In addition to this, around £224 million is likely to be collected from agreed or anticipated s.106 contributions.

Crossrail s.106 contributions and Mayoral CIL: The Mayor previously excluded the VNEB OA from being subject to his Crossrail s.106 policy on the basis that development in this area will be required to make similar contributions towards other strategically important transport infrastruc-

ture, such as the NLE. However, the Mayor is proposing that new development in the VNEB OA does pay the Mayoral Community Infrastructure Levy (CIL). Whether or not the Mayor maintains this position remains to be seen - the Mayoral CIL has only gone through one round of consultation out of a potential three rounds, and will be subject to an independent examination, expected in the autumn. ■

Vauxhall Nine Elms Battersea Opportunity Area (VNEB OA): Vauxhall Nine Elms Battersea is a 480 acre Opportunity Area, designated by the Mayor as a place with the potential to accommodate substantial numbers of new jobs and homes. Situated in the boroughs of Lambeth and Wandsworth, it forms part of the Central Activities Zone and has recently been described by the Mayor as "the final piece of the jigsaw that completes the central area of London".

Northern Line Extension (NLE): The proposed privately-funded 1.75km extension of the Northern Line will form a continuation of the Charing Cross branch from Kennington to two potential new stations - Nine Elms and Battersea Power Station. It will open up the entire area for more comprehensive and sustainable development, including over 16,000 new homes and 26,000 new jobs. It will create a transport hub at Battersea Power Station through its close proximity to existing rail stations, bus networks and river services, raising the area's Public Transport Accessibility Level from Poor to Moderate (2-3) to Good to Very Good (4-5).