Open Agenda

Overview & Scrutiny Committee

Wednesday 7 January 2026
6.30 pm
Ground Floor Meeting Room G02A - 160 Tooley Street, London SE1 2QH

Supplemental Agenda no.1

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Contact

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Date: 6 January 2026

Agenda Item 6

Meeting Name:	Overview and Scrutiny Committee
Date:	7 January 2026
Report title:	Provisional Local Government Finance Settlement – Briefing Note
Ward(s) or groups affected:	All
Classification:	Open
Reason for lateness (if applicable):	N/A
From:	Strategic Director of Resources

RECOMMENDATION

1. That the Overview and Scrutiny Committee note the contents of this briefing.

BACKGROUND INFORMATION

2. The Provisional Local Government Finance Settlement (PLGFS) is published annually, usually in December, and gives local authorities their provisional grant allocations for the year commencing the following April. During the current financial year, the government have been undertaking a fundamental review of the funding formula (the 'Fair Funding Review'), and changes to the council's allocations were anticipated as a result.

KEY ISSUES FOR CONSIDERATION

3. This briefing is an early and indicative outline of the impact of the PLGFS before detailed modelling has been undertaken and before the full detail of the announcements has been factored into the council's Medium Term Financial Strategy. It is intended to give members an overall sense of the outcome of the Fair Funding Review and the numbers within this briefing are our best approximation of figures, intended to give a sense of scale.

Headlines

4. A combination of factors including council tax assumptions from MHCLG means that whilst we can expect a boost in funding in 2026/27 (70% of which is our own council tax growth), the settlement then effectively levels out from there with Core Spending Power (CSP) expected to decrease in each of the second two years.

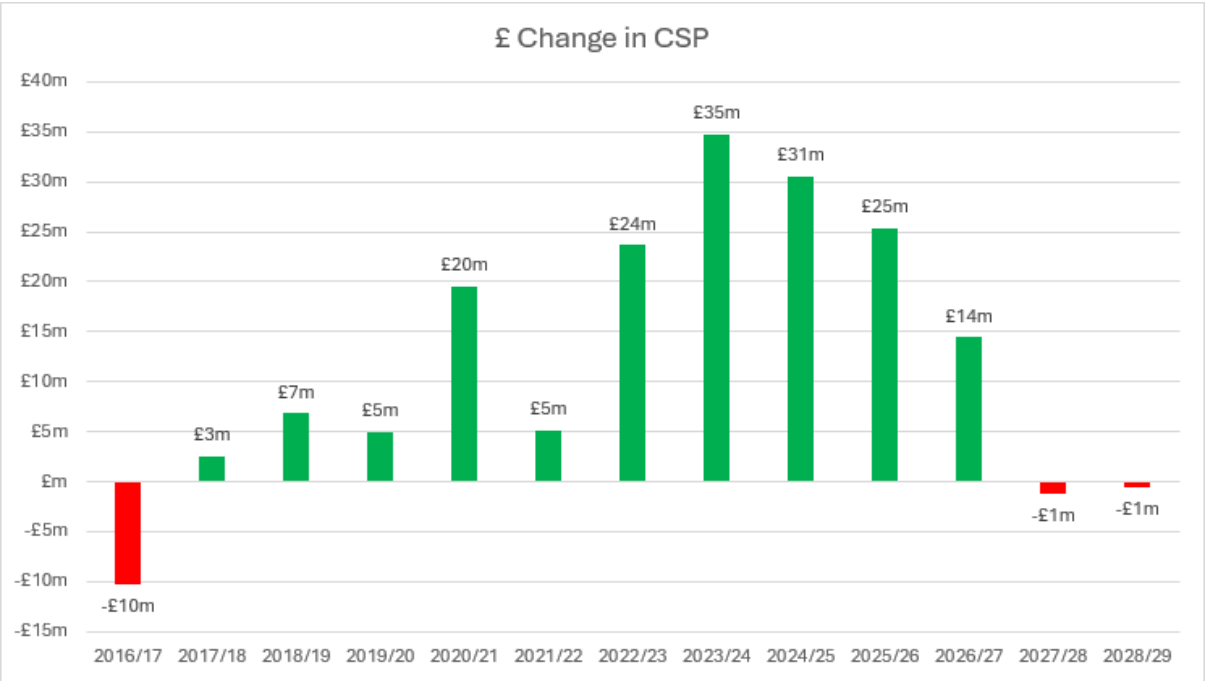
5. In 2026/27 we are on target to deliver a balanced budget, noting it may well require £12m+ of already earmarked reserves to do this.

6. We estimate that the three-year MTFS from April 2027 will leave us with a funding gap of around £80m. Officers are continuing to work to identify savings of approximately £90m in order to provide some cover for the current year overspend of c.£26m.

Detail

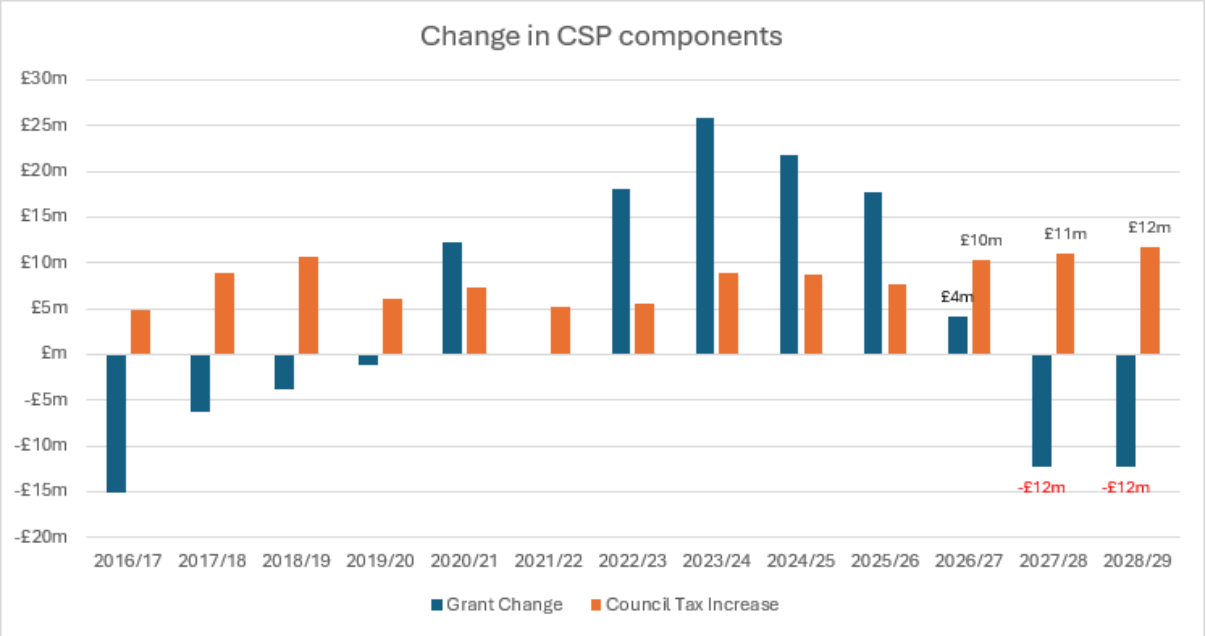
Core Spending Power

7. This is the measure used by government to determine the council's core spending power and how it has changed over the years. The change in this number is the one you'll usually see quoted in the press and on social media. The chart below shows how the council's spending power has changed in each year since 2015/16. It shows CSP going up by about £14.5m next year (2026/27). In 27/28 and 28/29 the council will see small decreases in overall CSP driven by reductions in grant. It's important to see these changes in the context of recent years – the last four consecutive settlements have seen increases in CSP ranging from £24m-£35m. It's this combination of flatlining funding and ongoing inflation that will continue to drive the council's budget gap.



8. The chart above can be further broken down (see below) to show how much of the change in CSP related to Council Tax growth compared with grants coming from central government. What this shows is that there is a grant increase next year of c.£4m, followed by reductions in 2027/28 and 2028/29. By 2028/29, CSP will have grown by £12.7m (2.7%) – all of the growth will

have come from council tax. That £12.7m growth is comprised of a £20.4m reduction in funding from government offset by assumed growth of £33.1m in council tax.



Council Tax

9. As noted above, assumed growth in council tax keeps Southwark's overall funding levels relatively flat over the next three years. However, our own projections are more cautious on Council Tax growth. Officers expect taxbase growth in 25/26 and 26/27 to be slightly negative overall (reflecting what's happening in the housebuilding sector and changes to welfare), then to increase to c.1% annually from 2027/28. MHCLG's estimates are more optimistic, meaning that by 2028/29 they assume the council will collect £189m annually versus officers' current assumption of around £182.5m. We anticipate that over the next three years the council could collect over £15m less in council tax than the government estimates.

Consultation

10. As always, there is a consultation on the proposed settlement – we will respond, particularly with regard to the Council Tax assumptions and the impact that has on our funding floor.

Agenda Item 7

Meeting Name:	Overview and Scrutiny
Date:	7th January 2026
Report title:	Old Kent Road
Ward(s) or groups affected:	All
Classification:	Open
Reason for lateness (if applicable):	
From:	Director of Planning and Growth

RECOMMENDATION(S)

1. OSC note the officer's presentation on progress in the transformation of the Old Kent Road opportunity area.

BACKGROUND INFORMATION

2. Southwark in 2016 started the process to reimagine the OKR through the redesignation of protected industrial sites to deliver a mixed-use neighborhood with an additional 20,000 new homes, the necessary social infrastructure to support such growth and a net increase in jobs.

KEY ISSUES FOR CONSIDERATION

3. The OKR is delivering homes quicker than comparable schemes across London – Old Oak Common/Royal Docks despite those projects receiving significant public funding.

4. The OKR is delivering over 50% affordable housing (on a habitable room basis) with 32% of the habitable rooms being for Social Rent. The OKR contains the councils two largest estate regeneration projects at Tustin and Ledbury Estates. Phase 1 of the Tustin redevelopment has recently been completed and Phase 1 of Ledbury is due to complete mid 2026. Both schemes received the support of residents in a ballot, and residents have been involved in the choice of architects and have helped steer the design and delivery of the new housing.

5. Extensive public engagement on the OKR AAP has been undertaken over the last 9 years with over 100 public consultation events, over 2,000 individual responses. In all 4 drafts of the document were produced in 2016, 2017, 2020

with the final draft in 2025. Over that time in response to engagement meaningful changes were made to the draft plan to increase the amount of park space proposed, increase the amount of light industrial floorspace planned and revise the plans tall building strategy.

6. In 2020 a Community Review Panel was established for the OKR area following feedback from public engagement on the AAP. The panel comprises local residents and business owners with a balanced mix of age, gender and ethnicity. The panel meets every 5-6 weeks to review planning applications as well as the council's own plans and strategies. The panel has proved to be very successful as a way of meaningfully engaging the local community and the feedback received has helped to shape development as it comes forward. The intention is to use this as a model to establish similar CRPs for other areas of the borough.

7. S106 monies have been collected from developers to improve existing public parks and spaces and also to enhance the bus network in advance of the delivery of the BLE. In September 2025 the Bakerloop express bus service began operating along the alignment of the BLE with stops at the proposed new stations. The council contributed £5m in s106 funding to help TfL deliver this service. Cycle and pedestrian provision has also been improved in the area in partnership with TfL with the cycle route 12 from Peckham to Rotherhithe currently under construction on Ilderton Road and School Streets projects funded from community CIL due to be implemented at Phoenix primary school on Rolls Road and John Keats primary school on Verney Road.

8. S106 monies have also been used to deliver enhanced public spaces with £700,000 committed to the regeneration of Bramcote Park (works due to begin on site early in 2026) and £300,000 towards Brimmington Park (in addition to the £416,000 secured in community CIL). S106 monies have also been spent on fitting out a consultation and youth hub at 231 Old Kent Road (£150,000). Community CIL monies are paying for the enhancement of Leyton Square (£728,000), Bird in the Bush Park (£312,000) and are also contributing to funding the refurbishment of the Kentish Drovers listed mural (£336,000). In total £2.49m of community CIL is being invested in the OKRD. This is in addition to the £9.6m of funding that the council secured from the Future High Street Fund (FHSF) in 2020, which has been spent on the delivery of projects including the Livesey Exchange Phase 1 and 2 (LEX, community affordable workspace) and the repainting of the railway bridge at the southern end of OKR.

9. FHSF monies have also been used to secure the Folegate site at 721-733 OKR and to retain and refurbish a locally listed building on the site. The current plan is to partner with a house builder to deliver 50% affordable housing as well as a new community health hub in partnership with the NHS.

10. In addition to funding improvements to existing open spaces the AAP also requires developers to deliver new open space within their own sites. An early example of this being the pocket park completed in 2025 on what was the KFC drive through car park. In early 2027 it is anticipated that the first phase

of the Ruby Triangle park will be completed on what was the car park of Carpetright and in late 2027 the first phase of the Surrey Canal Park will be completed by Berkeley Homes on their Malt Street development. The latter will ultimately provide a continuous open space link between Burgess Park and the Old Kent Road.

11. The Area Action Plan was submitted to the Secretary of State November 2025, with an Examination in Public (EIP) likely to take place in September 2026.

12. Delivery of homes in the OKR is split into 2 phases – 9,500 pre BLE funding 10,500 post BLE funding. We have already reached 9,500 cap in terms of approvals of which approximately 2,300 are either built or currently under construction. We are, however, aware that some schemes in phase 1 are technically implemented (Cantium Retail Park) but are unlikely to be delivered until post 2030. The phasing of development is kept under continual review and its likely that some current Phase 2 sites will be moved into phase 1 as their planning consents expire, thereby maintaining the pace of delivery.

13. For all the factors reported to Housing Scrutiny in December 2025 the traditional model of residential development is broken for a host of reasons including the limits on affordable housing grant available and the cost of construction v sale values achievable. This has meant that developers have pivoted to nonstandard residential products which don't carry a sales risk – student and co-living. Uniquely to Southwark our policies require both these products provide traditional affordable homes on site. To date this has helped to sustain the delivery of homes in the OKR and maintained the level of affordable housing on offer to at least 35%. The AAP emphasises that the council will only support student and co-living schemes were they contribute to mixed and inclusive communities and help deliver other key aspect of the plan including on site affordable homes, work space and park space. With this in mind the number and location of student and co-living schemes is kept under review to ensure that the aspiration for mix and inclusivity is not undermined.

14. The AAP promotes the delivery of a DHN and over the last year the pipework has been delivered from SELCHP along Ilderton Road and across the Old Kent Road by Veolia. The DHN will connect to the councils existing estates, including the Tustin, enabling significant C02 and cost savings as individual existing and inefficient end of life estate communal boilers are turned off. The process was supported by LBS, officers securing government funding with Veolia to scope out the initial business case and then securing a Local Development Order to speed up the planning and consents process.

15. Work on BLE continues in accordance with the program set out in the draft AAP. The TfL BLE project team are fully funded and the Mayor and TfL remain committed to the delivery of the BLE. The technical work required for the Transport and Works Act Order process (in effect the planning application to deliver the BLE) is scheduled to be completed by 2028/29. Work completed in 2025 included the detailed design of the two stations on the OKR and a New Cross Gate and Lewisham which LBS and LB Lewisham each contributed £250,000 (the LBS contribution from strategic CIL). LBS is committed to using 50% of Strategic CIL to help deliver the BLE and it is anticipated this will help

part fund further technical work to support the TWAO in partnership with TfL and LB Lewisham. The total cost of this process to 2028 is estimated to be £28m. The TWAO needs to be in place in order to secure capital funding. To help make the case to government LBS/LBL and TfL updated the BLE funding study in 2025, which sets out a series of options for offsetting the total capital cost by securing contributions from developers and development for its eventual delivery.

16. The council continues actively promote the BLE in partnership with LBL, TfL and Central London Forward. The emphasis being that the BLE is of regional significance to London in terms of the total number of homes and jobs it would be able to create. The BLE campaign includes the use of social media and the Back the Bakerloo web site, attendance and presentations at major industry events including the UK Real Estate Investment Forum and the London Real Estate Investment Forum and of course the Bakerloop Bus, which provides a physical reminder of the BLE project. In addition to this a structured comms strategy was developed for lobbying central government, leveraging in the support of both local MPs and the leaders of boroughs and MPs along the existing Bakerloo Line.

Policy framework implications

17. The OKR AAP is entirely consistent with the adopted Southwark Plan 2022 and its relevant Strategic, Development Management and Site Allocation policies.

Community, equalities (including socio-economic) and health impacts

Community impact statement

Is contained within the supporting documents for the OKR AAP.

Equalities (including socio-economic) impact statement

Is contained within the supporting documents for the OKR AAP.

Health impact statement

Is contained within the supporting documents for the OKR AAP.

18. The Old Kent Road project will have a positive community, equalities and heath impact.

Climate change implications

19. Improvements across the OKR will have a positive impact on the environment.

Resource implications

20. Capital N/A

Consultation

21. N/A

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Officer Presentation	Planning and Growth	Tim Cutts

APPENDICES

Appendices		
N/A		

AUDIT TRAIL

This section must be included in all reports.

Lead Officer	Stephen Platts	
Report Author	Tim Cutts	
Version	V1	
Dated	30/12/25	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	**Comments Sought**	**Comments Included**
Assistant Chief Executive, Governance and Assurance	No	No
Strategic Director, Finance	No	No
List other officers here		
Cabinet Member	No	No
Date final report sent to Constitutional Team		6 January 2026

Note: Consultation with other officers

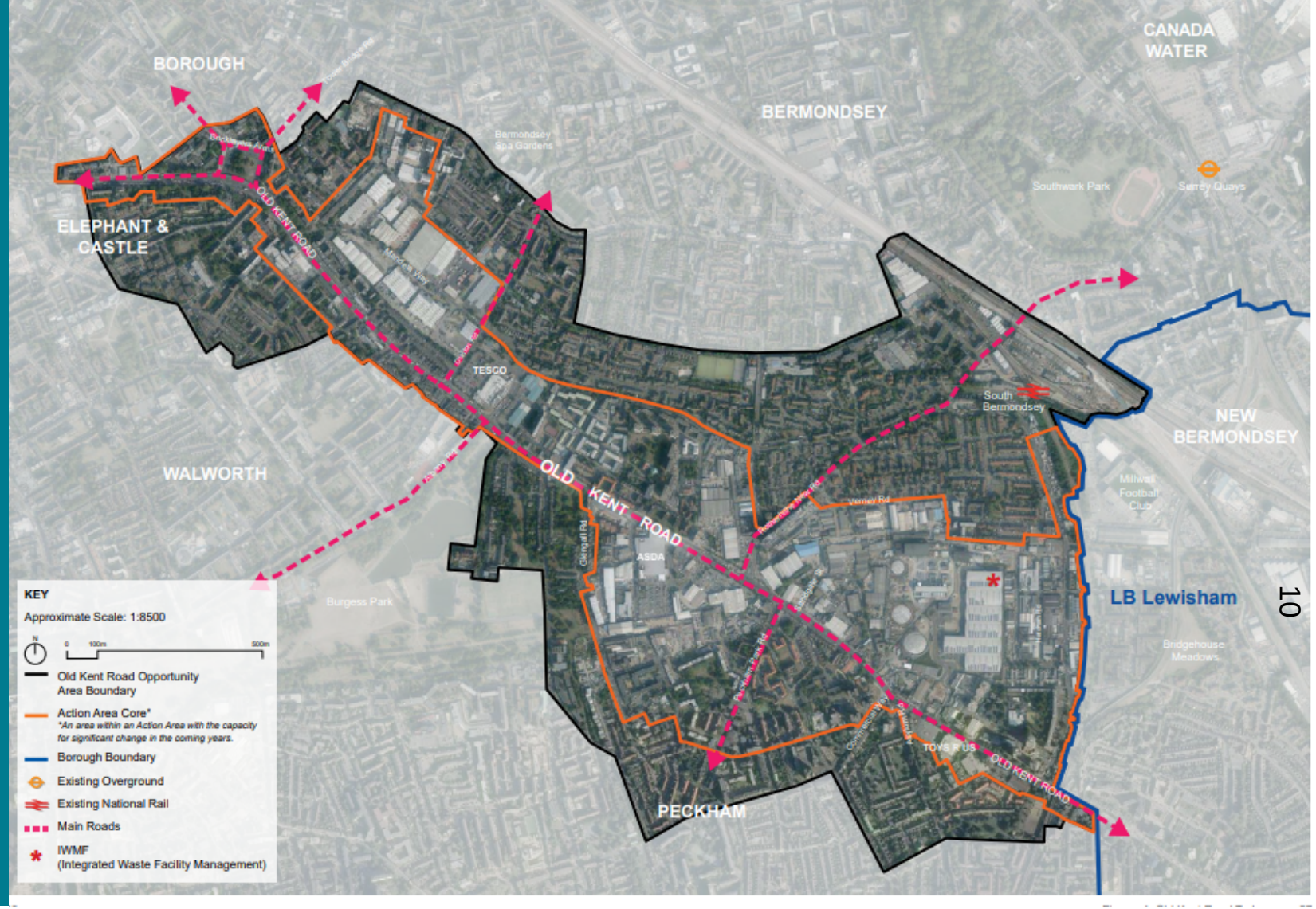
If you have not consulted, or sought comments from the Assistant Chief Executive, Governance and assurance or the Strategic Director of Finance, you must state this in the audit trail.

Old Kent Road

Overview and Scrutiny
7th January 2026

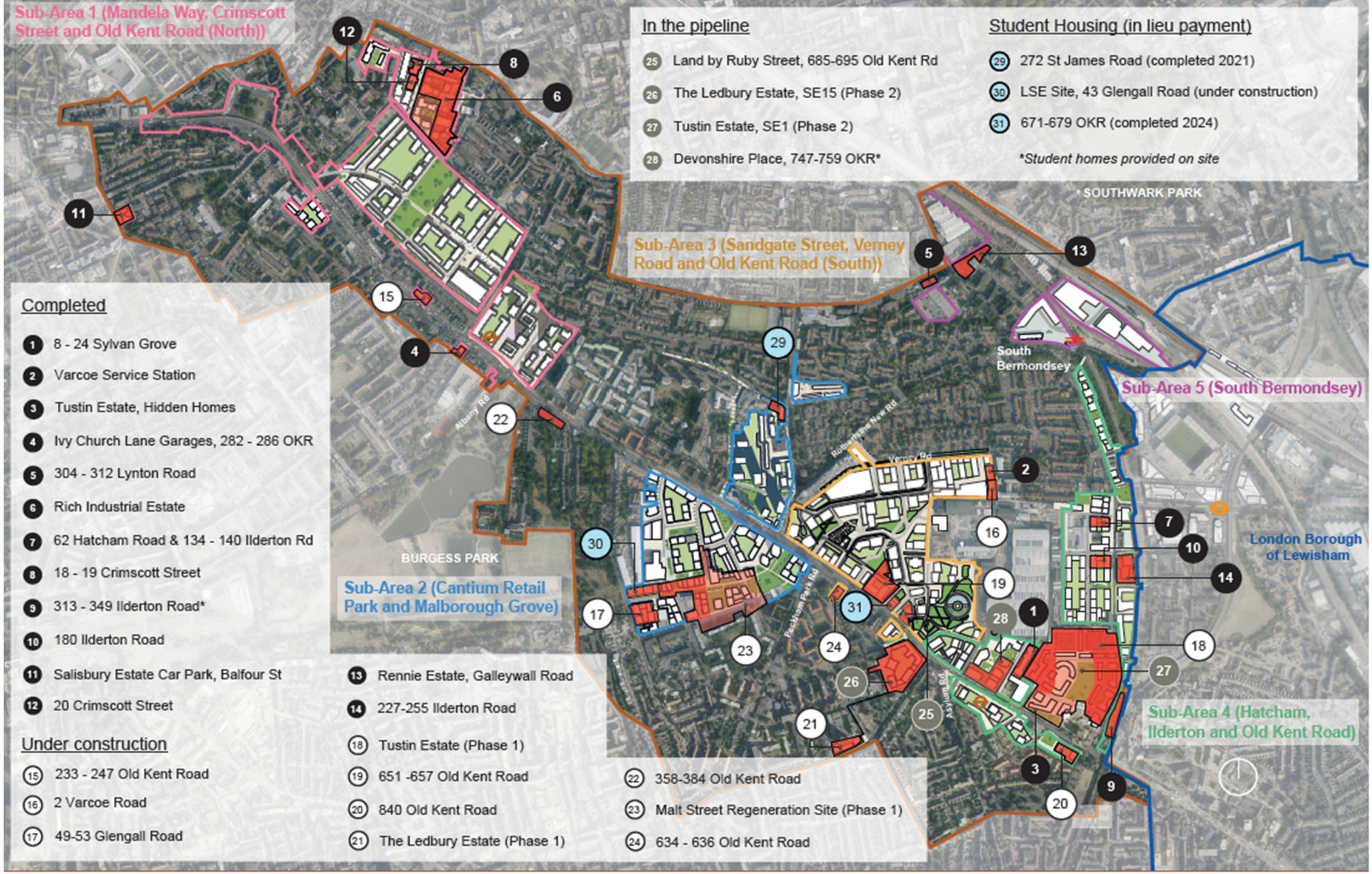
Steve Platts

Southwark Council



Southwark Council

Southwark Council


Sub-Area 1 (Mandela Way, Crimscott Street and Old Kent Road (North))
Sub-Area 2 (Cantium Retail Park and Malborough Grove)
Sub-Area 3 (Sandgate Street, Verney Road and Old Kent Road (South))
Sub-Area 4 (Hatcham, Ilderton and Old Kent Road)
Sub-Area 5 (South Bermondsey)
BURGESS PARK
SOUTHWARK PARK
South Bermondsey
London Borough of Lewisham
Albany Rd
Rotherhithe New Rd
Verney Rd
Peckham Park Rd
Asylum Rd
In the pipeline
25 Land by Ruby Street, 685-695 Old Kent Rd
26 The Ledbury Estate, SE15 (Phase 2)
27 Tustin Estate, SE1 (Phase 2)
28 Devonshire Place, 747-759 OKR*
Student Housing (in lieu payment)
29 272 St James Road (completed 2021)
30 LSE Site, 43 Glengall Road (under construction)
31 671-679 OKR (completed 2024)
*Student homes provided on site
Completed
1 8 - 24 Sylvan Grove
2 Varcoe Service Station
3 Tustin Estate, Hidden Homes
4 Ivy Church Lane Garages, 282 - 286 OKR
5 304 - 312 Lynton Road
6 Rich Industrial Estate
7 62 Hatcham Road & 134 - 140 Ilderton Rd
8 18 - 19 Crimscott Street
9 313 - 349 Ilderton Road*
10 180 Ilderton Road
11 Salisbury Estate Car Park, Balfour St
12 20 Crimscott Street
13 Rennie Estate, Galleywall Road
14 227-255 Ilderton Road
Under construction
15 233 - 247 Old Kent Road
16 2 Varcoe Road
17 49-53 Glengall Road
18 Tustin Estate (Phase 1)
19 651 -657 Old Kent Road
20 840 Old Kent Road
21 The Ledbury Estate (Phase 1)
22 358-384 Old Kent Road
23 Malt Street Regeneration Site (Phase 1)
24 634 - 636 Old Kent Road

Total homes under construction and completed

Total homes: **3,258**

Total Affordable homes: **1,980** homes (57% excluding replacement social rent homes on the Tustin and Ledbury Estate)

Social rent homes: **1,343** (35.8%)

Intermediate homes: **637** (23%)

HOUSING WAITING LIST
(Social Rent only)

**Number of households on Bands 1, 2 and 3 of Southwark's housing waiting list.

Figures from May 2025 in the OKR area (SE1 4, SE1 5, SE17 1, SE17 2, SE16 3, SE15 1, SE15 2, SE15 6 & SE5 0)

***Bands 1, 2 and 3 are the highest priority bands on Southwark's housing waiting list. There is 4,069 households waiting on 1 - 4 bed homes, but a total of 4,304 households on this waiting list.*

Social Rent homes - built, under construction, in the pipeline

1 BED	2 BED	3 BED	4 BED
440	467	387	49

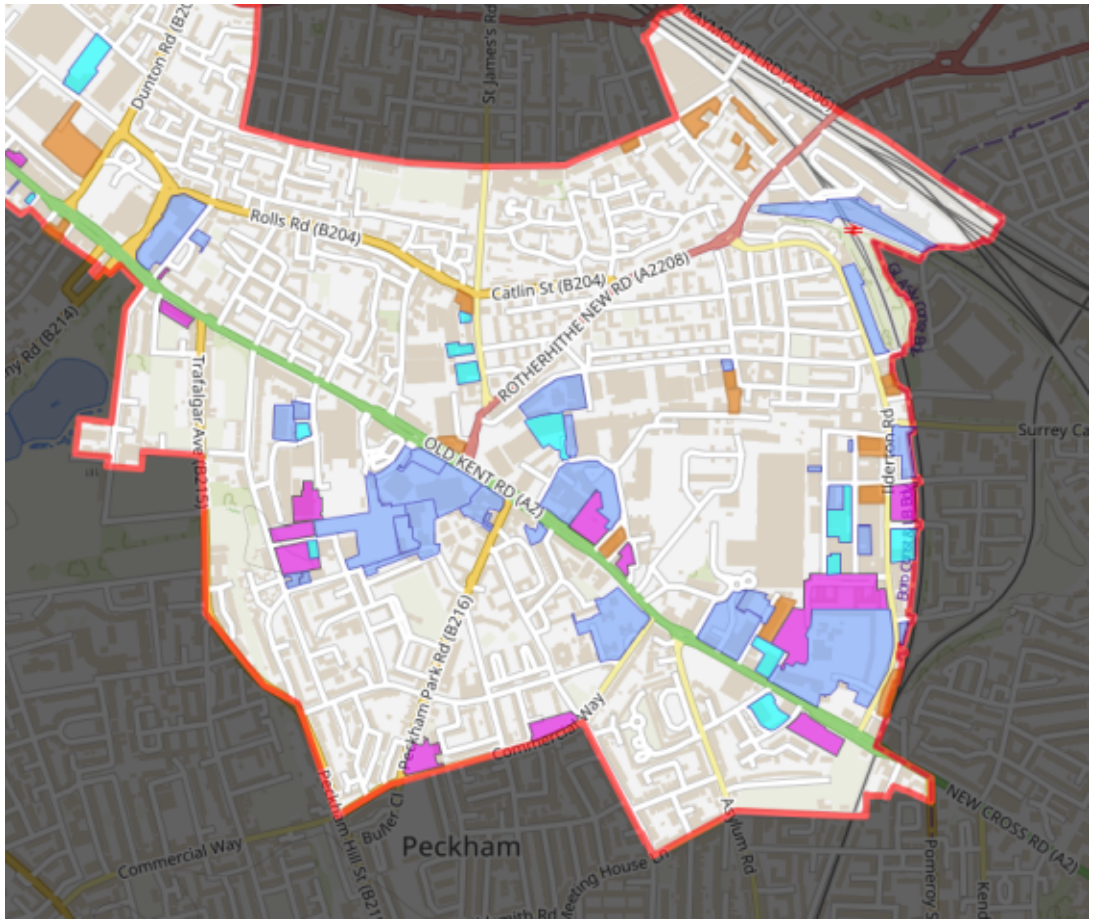
Demand for Social Rent homes

1 BED	2 BED	3 BED	4 BED
1213	1319	1054	483
36%	35%	36.7%	10%

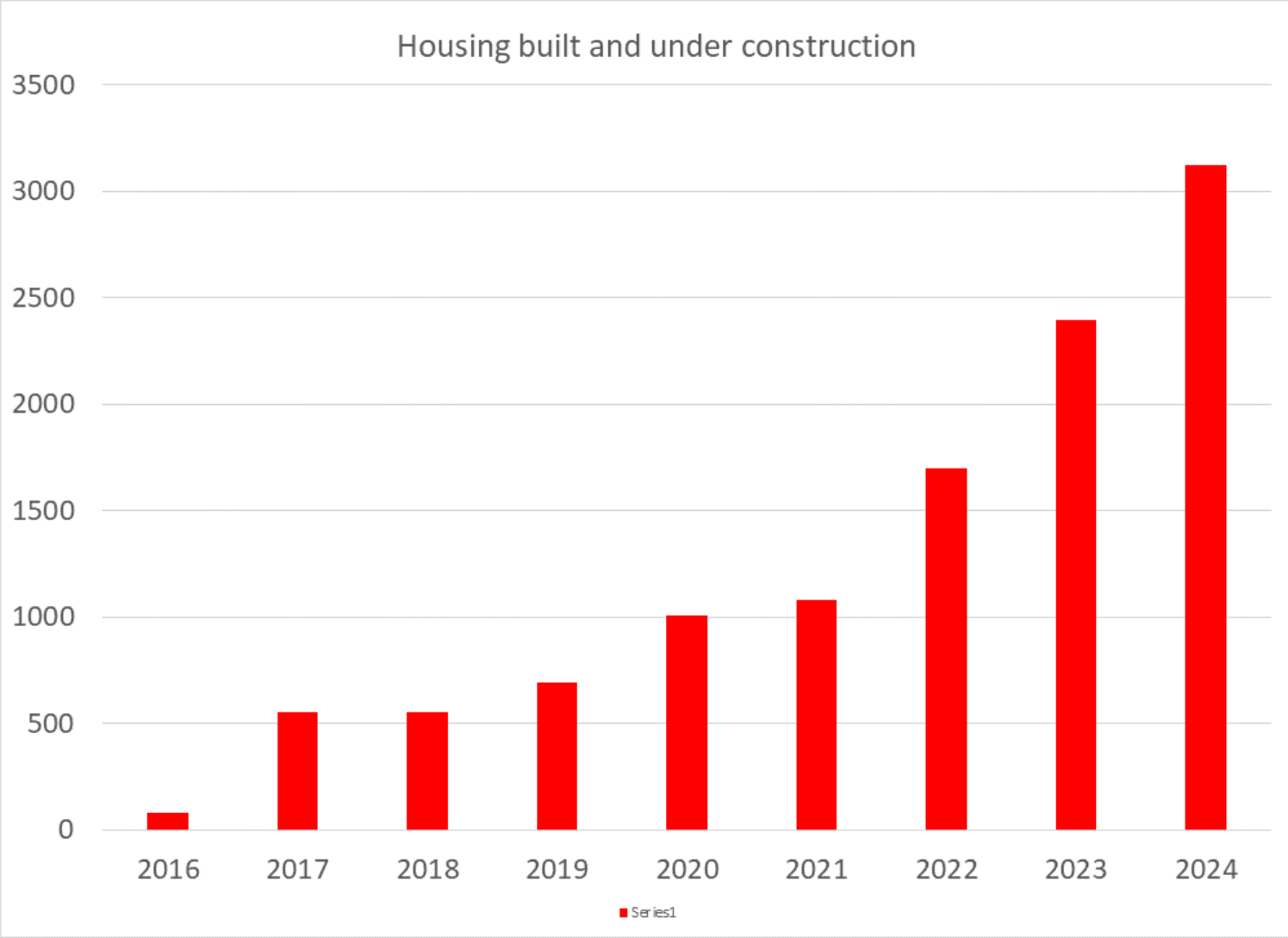
% of demand for social rented homes met

New Homes Phasing

- 9,500 homes in Phase 1 which can be supported by improvements to existing transport infrastructure
- New homes pay £2,700 per home to contribute towards improvement in public transport
- 10,500 homes in Phase 2 reliant on the Bakerloo Extension
- 9,480 homes approved to date



Delivery to Date



Old Kent Road

Old Kent Road

49-53 Glengall Road

43 Glengall Road

Bermondsey Place phase 1

651-657 Old Kent Road (Ex Carpetright)

840 OKR (Aldi)

677 OKR (Ex KFC)

634 OKR

677 Old Kent Road (Ex KFC)

227-255 Ilderton Road

180 Ilderton Road

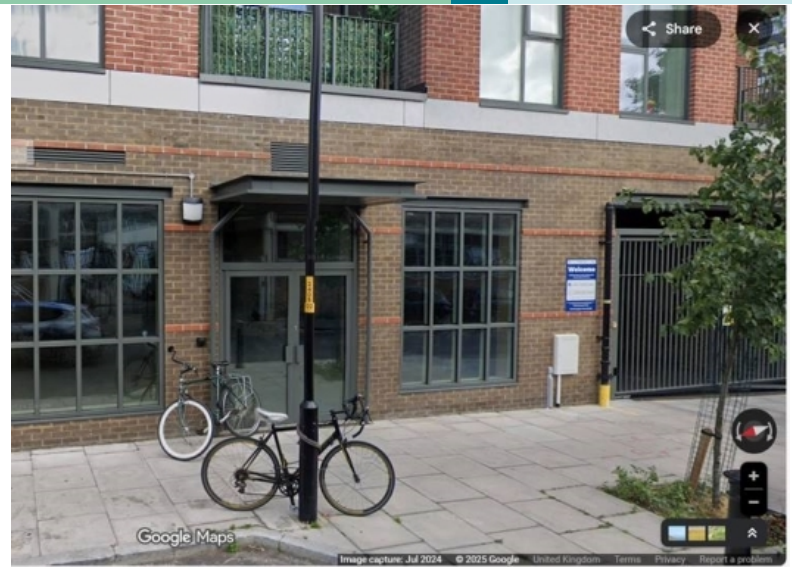
Tustin Estate Phase 1

Ledbury Estate phase 1

New Workspace

- 16,865 sqm of new industrial space completed
- 48,019 sqm of commercial space under construiction (bottom)
- Southwark Urban Logistics, 25 Mandela Way (right)

180 Ilderton Rd



- 49-53 Glengall Rd, under offer to workspace operator

Loop Studio
62 Hatcham Rd

Future High Street Fund £9.6m

Kentish Drovers mural

Railway bridge

Cycle route C62

Livesey Exchange
Murdock St pocket park

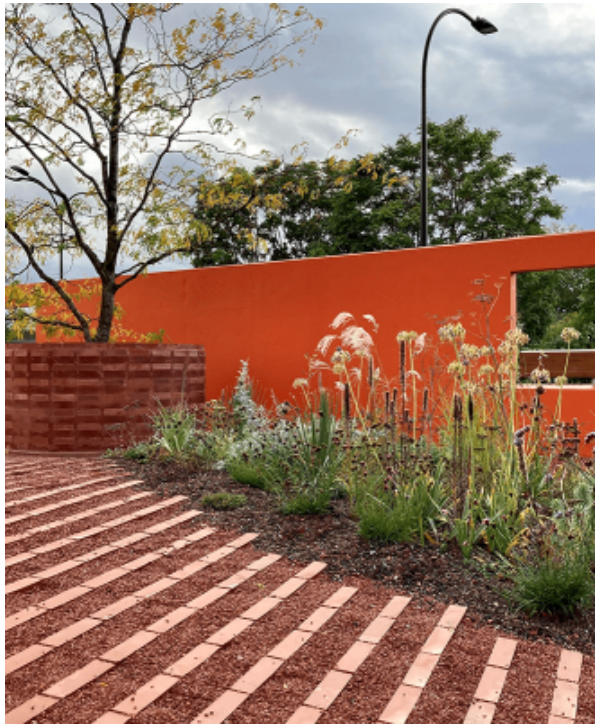
Folgate Estates

- Land acquisition
- 245 homes (50% affordable)
- Retention of Victorian frontage
- Potential health hub

Programme For New and Refurbished Parks

Ruby Street pocket park

Peveril House

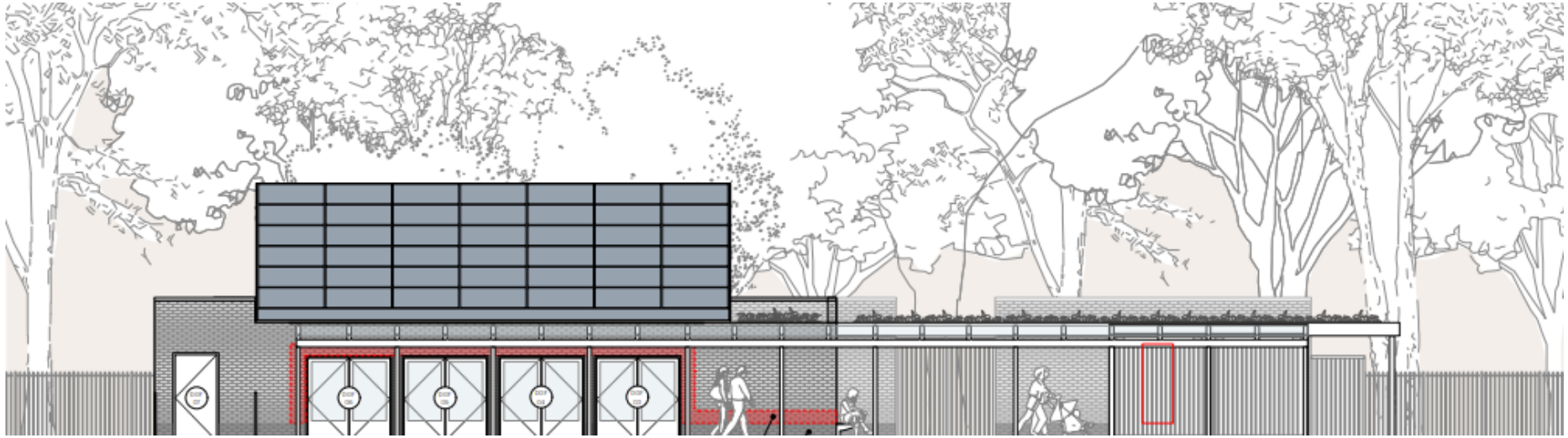


Pat Hickson Garden

Bramcote Park

Bird in Bush Park BMX

Leyton Square



Tustin Common

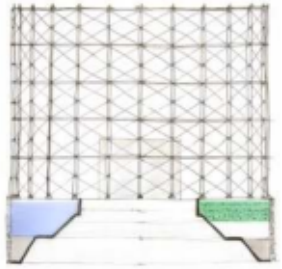
Brimmington Park

Devonshire Grove

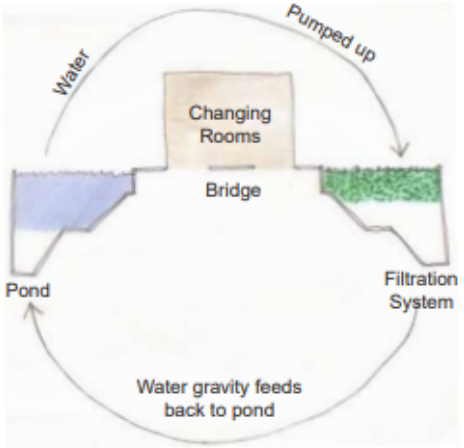
Livesey Park

Wild Swimming at Livesey Park

Proposed Wild Swimming CGI


Wild Swimming Section

Wild Swimming Plan

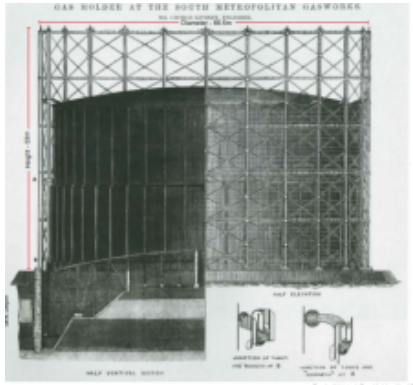


Wild Swimming Diagram

would be built adjacent the gas holder the income from which would help fund its operation.

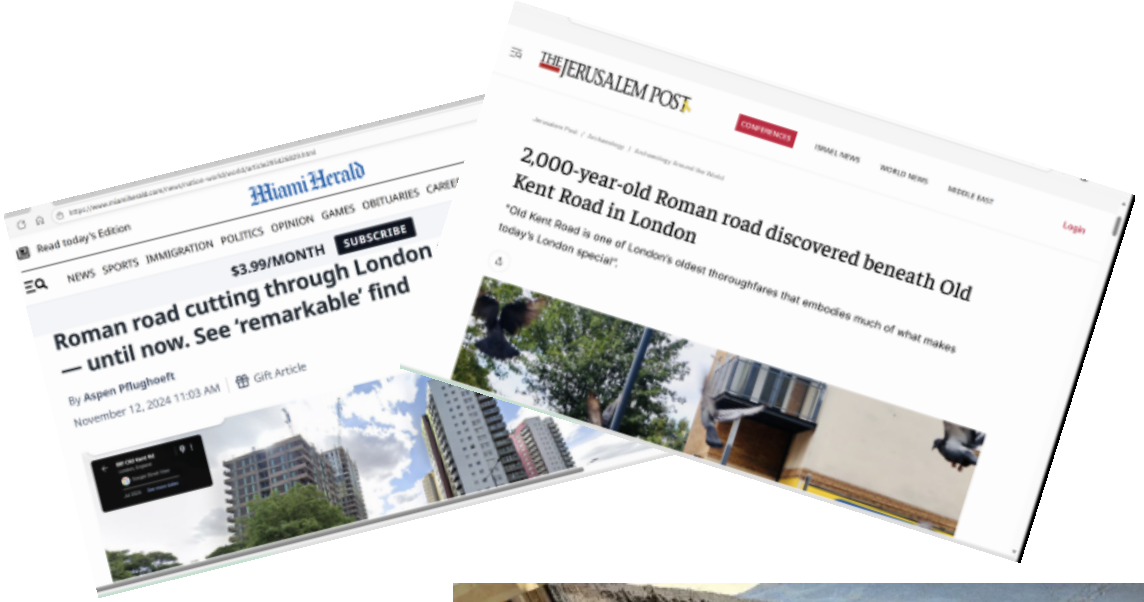
- The pond would be accessible to all, with a shallow section for younger children and facilities with those with mobility impairments.
- This would be a unique health offer, with nothing similar in London, the UK or Europe. It would remake an iconic part of the areas cultural and historic heritage, and deliver significant health and wellbeing benefits for both local people and the borough more widely.
- Funding would be secured from s106 and CIL payments.


Proposed Wild Swimming CGI

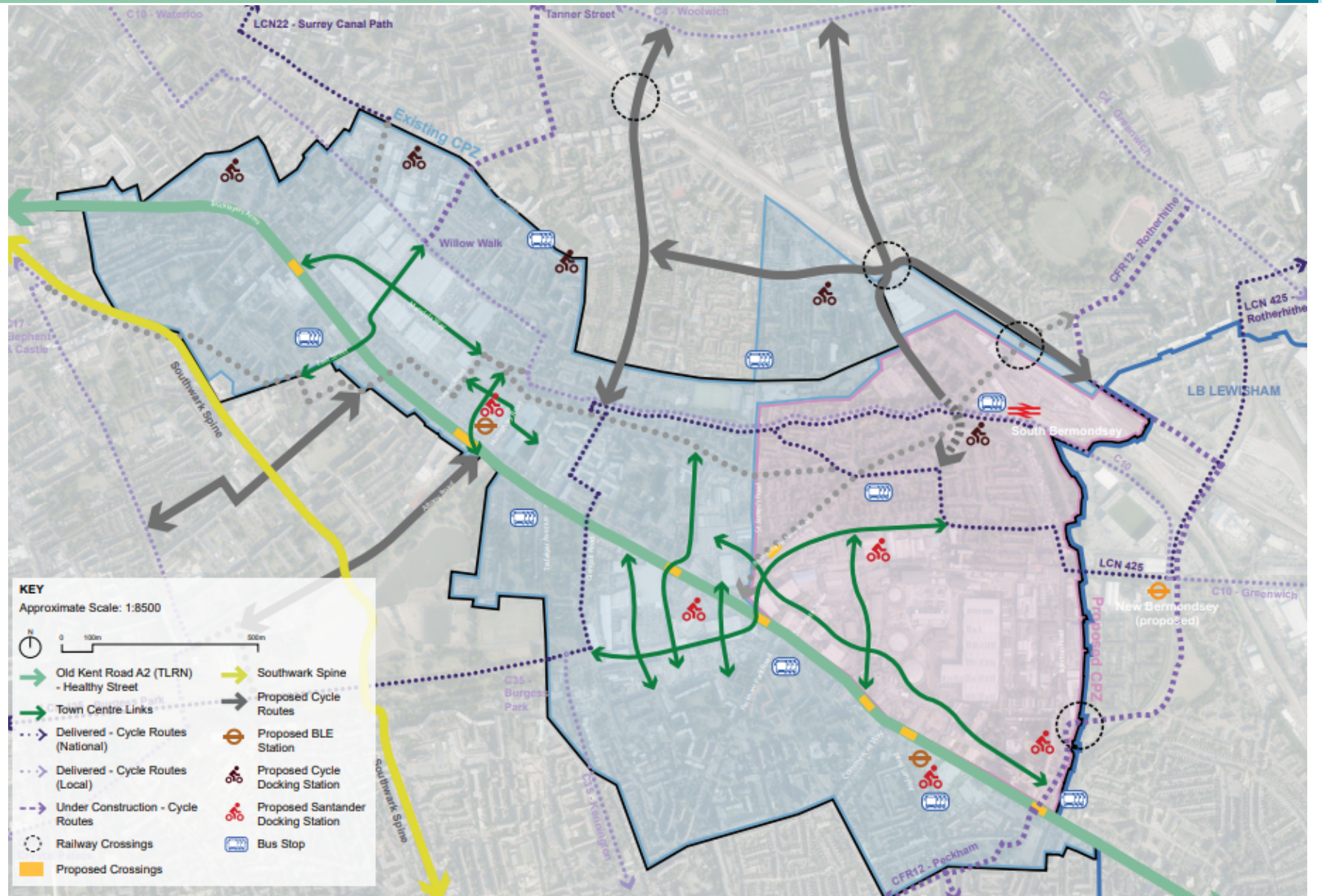


District Heat Network and Local Development Order (LDO)

- 13,500 tonnes of CO2 reduction annually



Movement Strategy



New Leisure Route

Southwark approved over £5 million towards new Bakerloop bus route running down Old Kent Road towards Lewisham

The money raised from community levy paid for by developers represents approximately 14% of the total cost of delivering the service over a 7 year period

by Ruby Gregory - Local Democracy Reporter — 14th September 2025

in Bermondsey, community, Elephant and Castle, Featured, Housing, Lewisham, News, Peckham, Regeneration, South London, Southwark, Walworth

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Bakerloop bus route to get £5m in developer funding

Popular Articles

Why is there a large steel box on the Elephant and Castle roundabout?

13TH SEPTEMBER 2025

Met Police map out safety conditions ahead of march and counter-protest this Saturday

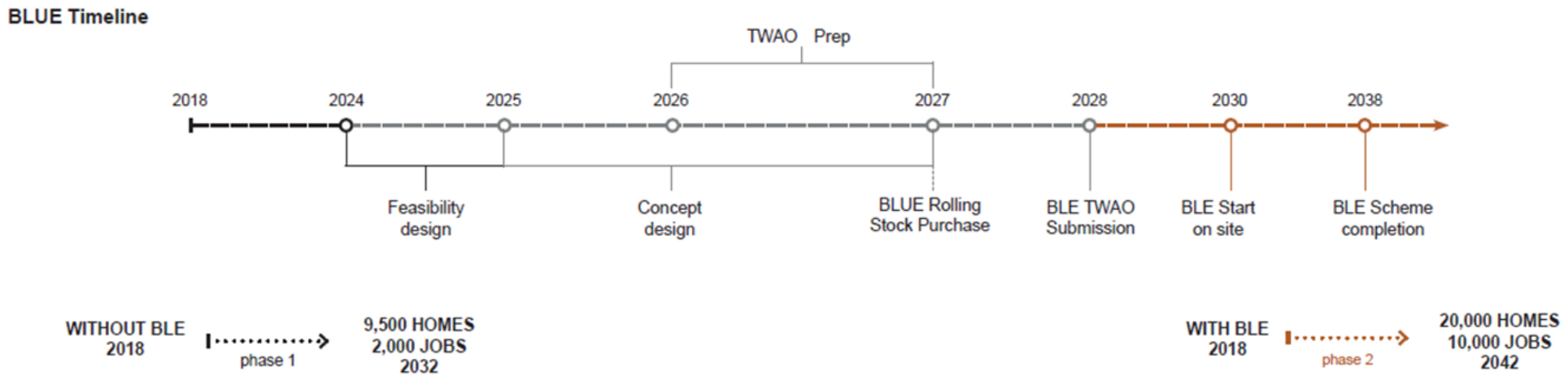
12TH SEPTEMBER 2025

Four towers to be built at the Elephant & Castle

11TH SEPTEMBER 2025

An historic landmark building in South London which was once a swimming baths still remains vacant

Bakerloo Line Extension



2025

- Funding study completed by Deloitte exploring the extent to which London can fund the extension
- Station feasibility work completed by Weston Williamson architects
- 2026
- TfL to confirm preferred option for the route
- Confirmation of funding for upgrade of the Bakerloo Line
- Consideration of funding package for Transport and Works Act Order

Community review panel and 231 Old Kent Road

Timeline

- Approved at Cabinet on the 15 October 2024 with Regulation 19 draft of AAP.
- Full Council approval for Regulation 19 consultation draft at Council Assembly on 20 November 2024.
- 6 weeks consultation began on the 28th February until the 11th April on the Regulation 19 draft.
- Review comments received in April/Early May 2025 to prepare the document for formal submission.
- Submitted to Secretary of State in November 2025
- Inspector appointed December 2025
- Examination in Public (EIP) is likely to take place in early 2026.

THANK YOU

www.oldkentroad.org.uk
Backthebakerloo.org.uk

Southwark Stations
Overview and Scrutiny

January 2026

Neil Kirby
Assistant Director Sustainable Growth

Southwark Council

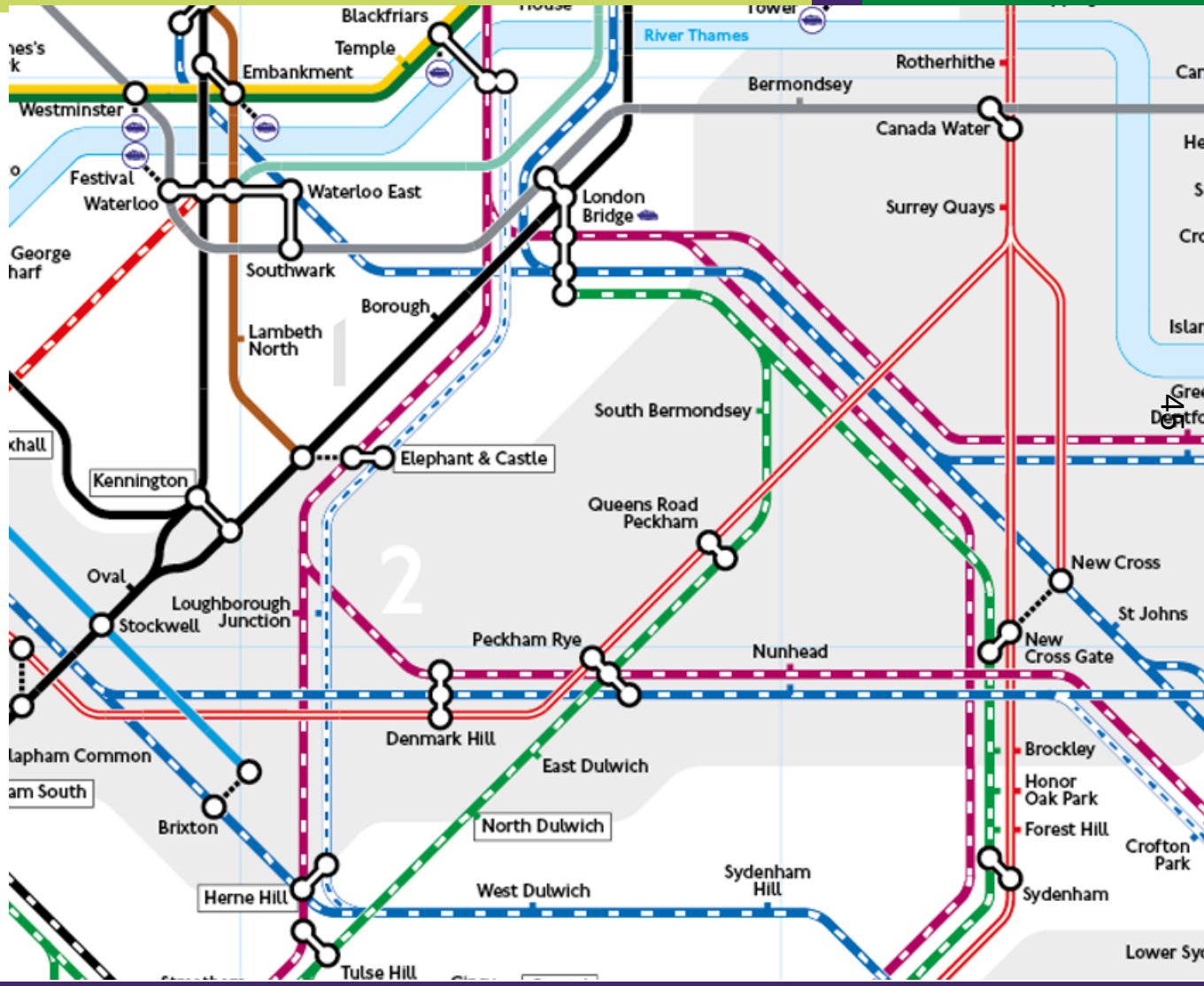
Southwark Stations

Southwark is home to 21 stations

The oldest is London Bridge, which opened in 1836 and the most recent is Blackfriars which reopened (on the same site as the original) in 2011.

If the Bakerloo extension goes ahead, Southwark will get two new stations on Old Kent Road.

Southwark's stations currently serve TfL's Bakerloo, Circle, District, Jubilee, Northern and Overground (Windrush) lines as well as Network Rail's Southern, Southeastern and Thameslink services.



Why Invest In Stations?

Transport – capacity and accessibility one of the biggest issues when consulting residents and businesses on growth

Town centres – support economic vitality and businesses

Housing – increased transport/station capacity a prerequisite for new housing delivered at E & C, Canada Water and OKR

Addressing issues of accessibility and over crowding

Works To Date

Southwark Council

London Bridge

Northern, Jubilee

Thameslink, Southeastern, Southern

Multibillion investment in station,

Thameslink and Jubilee

Blackfriars

District / Circle

Thameslink

Blackfriars Railway Bridge underwent a £350m reconstruction between 2009 and 2012 as part of the Thameslink Programme. The project transformed it into London's first transpontine station, spanning the entire width of the Thames. A new entrance was built on the Southwark side of the river and its roof covered in solar panels to generate energy for the station.

Elephant and Castle

Tube - Northern, Bakerloo – a requirement by TFL/GLA in supporting growth at E & C was investment in a new tube station. A funding agreement split the cost of the new tube station with escalators equally between LBS/TFL/GLA - LBS has paid its contribution of over £70m funded from CIL much of which was generated locally. The new station box is constructed and needs fitting out/commissioning - expected opening 28/29. The investment will have enabled over 10,000 new homes being built. The station is future proofed to accommodate the BLE.

Surrey Quays/Canada Water

The opening of the Jubilee station at Canada Water, the upgrade of the Overground/Windrush Line including the new station at Surrey Quays due to open in 2026 have been instrumental in supporting growth at Canada Water and its designation as an opportunity area by the Mayor.

Denmark Hill

Windrush

Southeastern, Southern

Significant investment and access for all works to upgrade the station

Programme

Southwark Council

Recent Planning Developments

NPPF: Transit-Oriented Development (Nov 25)

- **Default "YES" for housing:**
  Automatic presumption in favour of major residential development within a 15-minute walk of well-connected train or tram stations.

- **Minimum density expectations:**
  New developments must meet or exceed set density standards to maximise sustainable growth.

- **Secretary of State intervention:**
  Councils must notify Government if they intend to refuse schemes of 150+ homes in these catchments; the Secretary of State may intervene and make the final decision.

- **Faster decisions:**
  Inquiries may be replaced by written representations to speed up the process.

- **Streamlined statutory consultees:**
  Proposal to reduce the number of mandatory consultees by up to 40% (e.g., removing Sport England, Theatres Trust, The Gardens Trust). Consultation live until 13 January.

Consultation begins – Late 2025 | **Consultation closes – Early 2026** | **Measures live - Early to Mid 2026**

Peckham Rye

Busiest station in the UK which isn't accessible. 3 phase project agreed.
Phase 1 – Blenheim Grove (council funded and delivered) complete building will be occupied in 2026
Phase 2 – the creation of the square (council funded and delivered) – site handed over to contractors' demolition work to commence early 2026
Phase 3 – the station upgrade. Planning Permission has been granted funding negotiations ongoing with Network Rail/DofT.
Heritage works to station building completed

Elephant and Castle

Overground station upgrade is needed to support the new town centre. A scheme is in development as is a funding solution which is likely to be a combination of council resources generated through planning and network rail contributions.

Nunhead

Thameslink, Southeastern

Issue of Passenger Access

Funding Network Rail to do a feasibility

Likely future SCIL bid

Southwark

Over station development recently consented for a student scheme which will also deliver 44 council homes on an adjacent site

South Bermondsey

Funding for feasibility for station improvements agreed – no agreement on scheme/funding of works

Bakerloo Line Extension

Southwark Council

Status

The 20,000 new homes planned for OKR are split in 2 phases – 9,500 phase 1 and 10,500 phase 2. the phase 2 homes cannot commence until BLE is confirmed.

Technical work on stations and tunnel ongoing and fully funded

LBS has committed 50% of strategic CIL to the project – money is already being drawn down to support the project - e.g. E & C station.

A business case has been prepared which is very supportive in terms of pay back and affordability

Phase 1 of the project will be the upgrade of the existing BL

To support the current programme a funding decision is needed in 28/29

The Bakerloop a temporary measure has already been introduced