

APPENDIX 2

Council negotiating priorities

Below are the council's negotiating priorities, as agreed by cabinet at its meeting on 18 November 2014, with an explanation of how these are dealt with in the heads of terms document.

1. Maintain freehold ownership of both the print works and shopping centre sites.

The heads of terms leaves ownership of the freehold of the print works and the shopping centre with the council and transfers the freehold of additional land to the council.

2. Put in place a commercial structure which will ensure that the council receives a long term income stream and enables it to benefit from increased land and property prices in the area and profit generated through development.

The council will receive a share of the development proceeds on a pro rata basis derived from the value of its land. In addition, the council will have an option to invest directly in the scheme with a return based on its contribution toward development costs. There is flexibility to take the return as either capital receipts or as rent. The heads of terms also include a mechanism to protect the council's current income during the construction phase.

3. A scheme which will deliver 35% affordable housing [as a percentage of general needs housing] split 70/30 rent/shared ownership. The council is to have an option to retain the rented element as council housing.

The development will deliver a policy compliant affordable housing offer with the council having an option to acquire the social rented units.

4. The council will require a site in its ownership for a new public leisure centre. The specification for the facility is to include a 6/8 lane swimming pool, 4 court sports hall, crèche, gym and cycle spinning room.

The heads of terms include a commitment to deliver a new leisure centre within the first phase of development, that will include an eight lane pool, a learner pool, 3 studios, a four court sports hall and a gym with 150 work stations..

5. The mix of uses developed across the combined holdings should include an education hub providing significant new space for teaching, academic and research facilities. In this respect the council reconfirms its decision of November 2013 to the objective of KCL establishing a new major campus at Harmsworth Quay's to include significant elements of teaching, research and administrative facilities.

One of the primary objectives for the scheme is that it includes the creation of an appropriate higher education establishment, such as Kings College London or a similar organisation.

6. Subject to school pupil projections space may also be required for new schools.

School place planning anticipates an increase in pupil numbers in Rotherhithe and there is already in place a significant investment programme that will meet fully identified demand. The situation will be kept under review and if necessary the phased delivery of the scheme allows for changes to the masterplan to address any emerging shortfall.

7. The mix of uses should be capable of supporting significant new jobs, training and business start up opportunities.

The heads of terms facilitate a mixed use scheme with significant new jobs, training and business start up opportunities within the leisure, retail, educational, office and cultural sectors.

8. Reconsider the impact of the proposed development on Lower Road by updating the multi module transport model.

Although this is not a matter specifically dealt with in the heads of terms this issue is being progressed as part of the transport assessment for the planning application.

9. Support the potential for a pedestrian/cycling link to Canary Wharf and a link west to integrate with Southwark's wider cycling network.

Although this is not a matter specifically dealt with in the heads of terms it is being progressed with colleagues from transport. Additionally, increased activity at Canada Water will support the business case for the new bridge.

10. The development must maximise training and employment opportunities for local people.

One of the primary objectives for the agreement is that local people should have the chance to benefit directly from the development via training and employment opportunities during the construction phase. BL has also agreed to explore the viability of including business start up space and other support for small businesses as part of the finished scheme and to look at the practical implications of making the development a living wage zone.