

## REQUEST FOR MAYORAL DECISION – MD2751

### **Title: Action relating to Development Agreement with ABP**

#### **Executive Summary:**

The GLA has a number of concerns relating to ABP (London) Investment Limited's performance under the Development Agreement that was entered into in May 2013 for the delivery of a comprehensive regeneration of Royal Albert Dock to provide a commercial-led development, including associated residential uses, public realm and infrastructure improvements. Contractual steps should now be taken which will offer ABP an opportunity to remedy certain failures and demonstrate that they are able and willing to meet their obligations under the Development Agreement.

#### **Decision:**

That the Mayor approves:

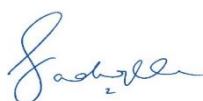
The recommendations set out in Part 2 of this paper.

#### **Mayor of London**

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

**Signature:**



**Date:** 19/02/2021

## PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

### Decision required – supporting report

#### 1. Introduction and background

- 1.1. Royal Albert Dock (RAD) is an important development site within the Royal Docks, offering the opportunity for significant investment and value creation within the Royal Docks Enterprise Zone. Following a competitive bidding process started by the London Development Agency (LDA), GLA Land and Property Limited (GLAP) entered a Development Agreement (DA) with ABP (London) Investment Limited (ABP) in May 2013. The DA aims to provide a comprehensive commercial-led development, including associated residential uses, public realm and infrastructure improvements. RAD is a key development site within the Royal Docks Enterprise Zone with the potential to deliver significant business rates income and meet the area's regeneration objectives.
- 1.2. However, GLAP is concerned because ABP is failing to deliver against its obligations under the DA. GLAP has written to ABP setting out its concerns and the actions required since December 2019. ABP's response has not so far given GLAP the assurance that things will improve.
- 1.3. Additional information and associated recommendations are set out in Part 2 of this paper.
- 1.4. A summary of the previous decisions related to this matter are set out below:

Date	Decision	Summary
01/06/2012	MD1007	Procurement process update and budget setting
16/05/2013	MD1208	Recommendation to select ABP as preferred bidder and to enter into a Development Agreement
16/12/2015	MD1471	Section 106 & 156 agreement approvals
14/04/2016	DD1498	Deed of Variation to the Development Agreement
23/12/2016	DD2076	Second Deed of Variation to the Development Agreement

- 1.5. The total lifetime financial approval on this project is £1,235,000 as set out below:

Financial approval pre-GLA	GLA approval (MD1007)	Total documented approval to spend
£635,000	£600,000	£1,235,000

- 1.6. Part 2 of this paper sets out further budget recommendations.

#### 2. Objectives and expected outcomes

- 2.1. The key objective of this decision is to encourage the swift and comprehensive improvement of ABP's performance in relation to its contractual obligations. It is intended that this in turn will support the wider regeneration outcomes for the Royal Docks Enterprise Zone area as set out in MD2338. The Royal Docks Enterprise Zone has the potential to deliver 35,000 jobs, 4,000 new homes and more than £5 billion of inward investment by 2037/38.
- 2.2. Further detail is contained in Part 2 of this paper.

### **3. Equality comments**

- 3.1. Under Section 149 of the Equality Act 2010, as a public authority, the GLA must have 'due regard' of the need to:
  - eliminate unlawful discrimination, harassment, and victimisation; and
  - advance equality of opportunity and foster good relations between people who have a protected characteristic and those who do not.
- 3.2. The development of RAD has the potential for significant benefits across employment, economic growth, skills development, educational initiatives and public realm improvements. By enforcing the obligations of the DA, the benefits of the scheme's delivery will be realised, promoting new local opportunities and advancing equality of opportunity for protected groups.
- 3.3. Additional housing (including affordable housing) will also be delivered as part of the scheme. The housing shortage in London disproportionately affects people with certain protected characteristics. Increasing the supply of housing, in particular affordable housing, will help to achieve positive impacts. Design of new homes, as well as commercial units, will be led by best practice to have due regard for areas such as designing for accessibility and inclusivity.
- 3.4. The potential for any future procurement processes and development proposals will be delivered in line with GLA guidelines and statutory obligations. Any future disposal strategies and development proposals will consider impacts on protected characteristics and will be procured in line with GLA best practice in the delivery of statutory obligations.
- 3.5. This paper has considered the impacts on equality considerations and has concluded that, as the decision being taken is legal in nature there are no immediate impacts on those with protected characteristics.

### **4. Other considerations**

#### *Key risks and issues*

- 4.1. Key risks and issues are set out in Part 2 of this paper.

#### *Mayoral strategies and priorities*

- 4.2. The regeneration of RAD will support numerous Mayoral commitments. It will promote access to new jobs, opportunities, and skills development; it will attract new investment and economic growth, including new housing and public infrastructure including transportation; it will support local cultural activation and promote improved environmental benefits and local connectivity. This will have a direct impact on the following Mayoral strategies and priorities:
  - the New London Plan;
  - Economic Development Strategy for London (December 2018);
  - Skills for Londoners (June 2018);
  - London Housing Strategy (May 2018);
  - Culture for All Londoners (December 2018);
  - London Environment Strategy (May 2018); and
  - Mayor's Transport Strategy (March 2018).

#### *Consultation and impact assessments*

- 4.3. Relevant internal and external stakeholders will be consulted, including local residents and the London Borough of Newham if any changes to current proposals for the regeneration of the area are put forward, having due regard to data protection, health and safety, and safeguarding where relevant.

#### *Conflict of interest*

- 4.4. There are no conflicts of interest to declare for the officers involved in the drafting or clearance of this decision form.

### **5. Financial comments**

- 5.1. Financial comments are set out in Part 2 of this paper.

### **6. Legal comments**

- 6.1. Ongoing legal advice on GLAP's contractual position is being provided by the GLA Group's shared legal service and external advisors Burges Salmon. Further legal comments are provided in Part 2 of this Decision form.
- 6.2. Section 30 of the Greater London Authority Act 1999 (as amended) (GLA Act) gives the Mayor a general power to do anything which he considers will further one or more of the principal purposes of the GLA as set out in section 30(2) which are:
- i. Promoting economic development and wealth creation in Greater London;
  - ii. Promoting social development in Greater London; and
  - iii. Promoting the improvement of the environment in Greater London
- and, in formulating the proposals in respect of which a decision is sought, officers confirm they have complied with the GLA's related statutory duties to:
- pay due regard to the principle that there should be equality of opportunity for all people;
  - consider how the proposals will promote the improvement of health of persons in Greater London, promote the reduction of health inequalities between persons living in Greater London, contribute towards the achievement of sustainable development in the United Kingdom and contribute towards the mitigation of or adaptation to climate change in the United Kingdom; and
  - consult with appropriate bodies.
- 6.3. Sections 1 - 3 of this report indicate that the decision requested of the Mayor in this Mayoral Decision falls within GLAP's statutory powers.

### **7. Planned delivery approach and next steps**

- 7.1. The delivery approach and next steps are set out in Part 2 of this paper.

#### **Appendices and supporting papers:**

See Part 2 of this paper.

### Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

### Part 1 - Deferral

#### Is the publication of Part 1 of this approval to be deferred? YES

If YES, for what reason: The terms of the agreement between the GLA and ABP are confidential. It is also likely that the process set out in this paper will lead to future litigation which could take many months to resolve. Publication of this paper may jeopardise and prejudice this legal process.

Until what date: June 2021

### Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

#### Is there a part 2 form – YES

### ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

#### Drafting officer:

Andy McVitty has drafted this report in accordance with GLA procedures and confirms the following:

✓

#### Sponsoring Director:

Rickardo Hyatt has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

#### Mayoral Adviser:

Tom Copley has been consulted about the proposal and agrees the recommendations.

✓

#### Advice:

The Finance and Legal teams have commented on this proposal.

✓

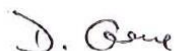
#### Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 15 February 2021.

### EXECUTIVE DIRECTOR, HOUSING & LAND:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

#### Signature



#### Date

17 February 2021

### CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

#### Signature



#### Date

15 February 2021