

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3136

Title: Greenwich Square Land Payment

Executive Summary:

The former Greenwich District Hospital site was purchased in 2004 by the Homes and Communities Agency, and transferred to GLA Land and Property Limited, a subsidiary of the GLA, in 2012. Development of this site is now largely complete.

This Mayoral Decision seeks to agree and approve the payment of the proposed land price from Mace Developments (Greenwich) Limited (Mace) to GLA Land and Property Limited, pursuant to the Development Agreement and Agreement for Lease dated 1 February 2012. It also seeks to approve the splitting of proceeds from the sale of part of the site on which development was not previously contemplated, and the transfer of the freehold to Mace (or other nominated company) now the project has been successfully delivered.

Decision:

That the Mayor:

1. approves the receipt of the sum set out in the Part 2 paper from Mace Developments (Greenwich) Limited (Mace) to GLA Land and Property (GLAP) in conclusion of the Land Price payment for the Greenwich Square development
2. approves the sharing of proceeds between GLAP and Mace from the sale of land on Calvert Road by Mace in the manner set out in the Part 2 paper
3. delegates authority to the Executive Director of Housing and Land without the need for a further decision form to:
 - approve any contractual variations or new contractual arrangements required to facilitate the sale of the land at Calvert Road in accordance with the commercial principles referred to within the 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:

12/6/23

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

Decision required – supporting report

1. Introduction and background

- 1.1. The former Greenwich District Hospital was purchased in 2004 from NHS Queen Elizabeth Trust as part of the London-Wide Initiative. The Homes and Communities Agency (HCA) worked in partnership with the Royal Borough of Greenwich, Greenwich Primary Care Trust (PCT) and the local community to prepare development plans for the scheme, achieve planning consent and bring forward the development. In March 2009, detailed planning consent was granted for 645 new homes; a public leisure centre; a library; a health centre; a Council service centre; and ancillary retail space.
- 1.2. The HCA entered into the Development Agreement and Agreement for Lease (DA) with the developer, Hadley Mace, on 1 February 2012 to deliver the scheme known as Greenwich Square. The contracting entity was Hadley Mace Limited.
- 1.3. The freehold to the site, and the HCA's rights and liabilities contained in the DA, transferred from the HCA to GLA Land and Property Limited (GLAP) on 1 April 2012 by virtue of a transfer scheme dated 30 March 2012 made under the Localism Act 2011.
- 1.4. After the delivery of Phase 1, joint partners Hadley and Mace decided to part and Mace Developments (Greenwich) Limited (Mace) became the delivery partner, with Mace Limited stepping in as Guarantor for Phase 2. Planning approval was sought to increase the number of homes in Phase 2. Overall the scheme has delivered 686 homes, comprising: 372 for private-market sale; and 314 affordable homes, representing 45 per cent on a unit basis.
- 1.5. Phases 1 and 2 have now been successfully delivered, with all homes constructed and sold.

Land sale

- 1.6. There is a small piece of land that formed part of the Phase 1 lease, on which Mace has secured planning permission to build two three-bed homes. It intends to sell the land to a developer who can then build the homes. The site is too small for Mace to deliver economically. The development of this site was not originally envisaged at the time of negotiating the DA, and therefore it is a windfall site. Further details on this proposal are provided in Part 2 of this decision form.
- 1.7. This decision requests that the Executive Director of Housing & Land be given delegated authority to approve any contractual variations and new contractual arrangements required to allow the sale of this land on Calvert Road, SE10.

Previous decisions

- 1.8. MD1454 (February 2015) approved the acquisition of the former PCT building and associated costs.
- 1.9. ADD2289 (October 2018) extended the longstop date from 14 September 2020 to 31 March 2022, and the payment end date from 30 March 2019 to 31 March 2021, to allow for the delivery timescales of Phase 2.

2. Objectives and expected outcomes

- 2.1. The development scheme has successfully delivered 686 new homes, of which 45 per cent are affordable. This delivery includes both Affordable Rent and Shared Ownership homes, along with a range of community, leisure and health services – such as a swimming pool, a public library, a GP surgery and an adult learning college.

- 2.2. The scheme has helped address some of the Mayor's key priorities by providing a high level of affordable housing in a way that integrates well with the local community, and delivers high-quality public facilities for local people. Along with this, the commercial space helps support businesses and the provision of jobs for the local economy.
- 2.3. The sale of the land at Calvert Road will allow the construction of two additional family homes, helping meet housing demand in the area.

3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010, as public authorities, the Mayor and the GLA are subject to a public sector equality duty and must have 'due regard' to the need to:
 - eliminate unlawful discrimination, harassment, and victimisation
 - advance equality of opportunity between people who share a relevant protected characteristic and those who do not
 - foster good relations between people who share a relevant protected characteristic and those who do not.
- 3.2. Protected characteristics under section 149 of the Equality Act are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status. As this project has now reached a conclusion, the impact of this decision should not negatively impact any protected groups. However by increasing the supply of affordable homes to buy (Shared Ownership) and rent (London Affordable Rent), the scheme contributed to improving the affordability of housing in the area and allowing those in most need to find a secure and comfortable home.
- 3.2 The ONS 2021 census data indicates that circa 8.4 per cent of Greenwich residents identified as being 'disabled and limited a lot'. Whilst this characteristic grouping covers a wide range of disabilities, it is likely that a proportion of this group will have a physical disability that may impact upon their mobility. The scheme has been delivered with 10 per cent of the homes being fully wheelchair-accessible (M4 (3)), with the remaining homes meeting Lifetime Home standards and M4 (2), ensuring the homes are flexible and adaptable to meet the residents' future needs.

4. Other considerations

Key risks and issues

- 4.1. This approval is required to allow the project to conclude, and for the GLA to receive its final receipt from this land transaction. By not taking this decision there is a risk that GLA cannot conclude the negotiations with Mace, and the receipt is not received. The approval will also clarify the treatment of any future receipt from the sale of the Calvert Road site, again allowing the GLA to benefit from a windfall payment. Other risks are identified within Part 2.

Links to Mayoral strategies and priorities

- 4.2. This project has delivered on three of the five priorities of the Mayor's London Housing Strategy: building homes for Londoners; delivering genuinely affordable homes; and high-quality homes and inclusive neighbourhoods.

Conflicts of interest

- 4.3. There are no conflicts of interest to declare from any of the officers involved in the drafting or clearance of this decision.

5. Financial comments

- 5.1. The income noted in Part 2 is the amount provided for in GLAP's draft financial statements for 2022-23.

6. Legal comments

- 6.1. Section 30 of the Greater London Authority Act 1999 (as amended) (GLA Act) gives the Mayor a general power to do anything that he considers will further one or more of the principal purposes of the GLA as set out in section 30(2), which are:

- promoting economic development and wealth creation in Greater London
- promoting social development in Greater London
- promoting the improvement of the environment in Greater London.

Additionally, 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
- consult with appropriate bodies.

- 6.2. Sections 1-3 of this report indicate that the decision requested of the Mayor falls within the GLA's statutory powers.

- 6.3. Please refer to Part 2 of this decision paper for further legal comments.

7. Planned delivery approach and next steps

| Activity | Timeline |
|---|-----------------|
| Legal agreement to agree land price completed | August 2023 |

Appendices and supporting papers:

None.

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 be published either 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: To ensure the details enclosed in this decision do not impact the proposed payment by Mace.

Until what date: 1 October 2023

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under the 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:

Michael Payton has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Tim Steer 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 12 June 2023.

✓

INTERIM CHIEF FINANCE OFFICER:

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

Signature:



Date:

12/06/2023

CHIEF OF STAFF:

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

Signature:



Date:

12/06/2023

