

REQUEST FOR DIRECTOR DECISION – DD2689

Greenwich Peninsula – Plot M0121 Plot Option Agreement and Disposal

Executive summary:

The Executive Director of Housing and Land, and the Interim Chief Finance Officer, are requested to approve GLA Land and Property (GLAP) entering into a plot option agreement under the Land Disposal Agreement with Knight Dragon Development Limited (KD) in respect of Plot M0121. The plot option agreement provides a 12-month option period for KD to draw down the plot for its redevelopment. The development of Plot M0121 will provide 300 homes pursuant to planning application reference 23/1565/F, and in compliance with the 2022 section 106 agreement (as amended).

This decision is delegated to the Executive Directors in accordance with MD1111, to provide a clear separation between the Mayor's planning decision-making powers and his ability to make decisions affecting development on GLAP land.

Decision:

That the Executive Director of Housing and Land, and the Interim Chief Finance Officer, approve entry into a plot option agreement for Plot M0121 with Knight Dragon Developments Limited (KD), pursuant to the Land Disposal Agreement between GLA Land and Property and KD, together with ancillary legal documents.

AUTHORISING DIRECTOR

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Tim Steer

Position: Executive Director Housing and Land

Signature:



Date:

19/02/2024

Name: Enver Enver

Position: Interim Chief Finance Officer

Signature:



Date:

22/02/2024

PART I – NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. The regeneration of the Greenwich Peninsula is a priority for the Mayor and represents one of London's largest development projects involving public land. The option to develop the Greenwich Peninsula site, which comprises 67 separate plots, was fully acquired by Hong Kong-based development company Knight Dragon Developments Limited (KD) in 2013, through its acquisition of the joint venture development vehicle from former owners Quintain and Lendlease.
- 1.2. All development on the Peninsula comes forward under the terms of the Land Disposal Agreement (LDA), a development agreement entered into in 2002 by Greenwich Peninsula Regeneration Ltd (then a joint venture development company) and English Partnerships. The LDA gives KD exclusive rights to develop plots owned by GLA Land and Property Limited (GLAP) that form the Greenwich Peninsula area, provided that certain minimum development requirements are met.
- 1.3. Development decisions on Greenwich Peninsula were delegated to the Executive Director of Housing and Land, and the Executive Director of Resources, under MD1111. This was to avoid a conflict of interest on projects that may require new planning consents on the Mayor's land. The latter post no longer exists; the postholder's responsibilities in this matter fall within the ambit of the post of Chief Finance Officer.
- 1.4. In 2013, KD took full control of the 2004 masterplan area outline planning application (ref: 02/2903/O). A subsequent outline planning permission for the 2015 masterplan was approved in December 2015 (ref: 15/0716/O). Plot M0121 is in the 2004 masterplan area.
- 1.5. Planning permission (13/2865/F) was granted in March 2014 for residential development comprising Plot M0104 and M0121 and associated car parking, public realm and landscaping, as well as the refurbishment of the coal jetty. Approved on Plot M0121 specifically were 251 new homes, 20 per cent of which were affordable (70 per cent of these to be let at social rent). The planning permission has been implemented and Plot M0104 has been constructed. There is no end timeframe on the implementation of Plot M0121 and the coal jetty.
- 1.6. The 2015 masterplan was prepared after it became evident that the 2004 masterplan no longer met contemporary and future needs. The 2015 masterplan included all unbuilt plots – but did not include Plot M0121, as there was an existing permission in place (Plot M0121 is the only remaining plot outside the 2015 masterplan that remains undeveloped).
- 1.7. A new housing delivery strategy at Greenwich Peninsula was agreed under DD2353 in 2019; and updated under DD2596 in August 2022. The strategy seeks to increase and accelerate the delivery of affordable homes on the Peninsula through the introduction of new affordable housing delivery partners. Plot M0121 is not directly impacted by this new housing delivery strategy.
- 1.8. A mini-masterplan, known as the 2019 masterplan, was submitted by KD in August 2019 (ref: 19/2733/O) to the Royal Borough of Greenwich (RB Greenwich), which approved it on 1 September 2022. This reflected the new housing strategy. This application increased the overall number of homes to be delivered on the Peninsula by 1,757, to make a total of 17,487. It increased the level of affordable housing from 25 per cent by unit under the 2015 masterplan to 28 per cent by unit (30 per cent by habitable room). This was supported by the delivery of up to 60 per cent affordable housing within the Brickfields neighbourhood of the Peninsula, to be delivered by affordable housing partners in the new housing delivery strategy.
- 1.9. While Plot M0121 falls within the 2004 masterplan area, it is bound by the 2019 masterplan section 106 agreement (signed in August 2022). In June 2023, a non-material amendment (23/2100/NM) was submitted by KD to phase the approved development under the 2014 planning permission (ref:

13/2865/F), and enable the submission of a new 'drop in' planning application on Plot M0121 only (ref: 23/1565/F). The planning application received resolution to grant at the planning committee meeting on 5 December 2023, subject to conditions and variations to the 2022 section 106 agreement being agreed.

- 1.10. The planning application comprises 300 homes with associated landscaping. It has been designed in a U-shape form, mirroring the adjacent plot M0114, and is composed of three building that range in height from seven to 30 storeys. The proposed development is similar to that envisaged by the 2013 extant consent and in accordance with the RB Greenwich Development Plan. As permitted under the 2019 masterplan section 106 agreement, Plot M0121 will be a fully private tenure plot. This is to be balanced across the masterplan with affordable housing provided on other plots such as Plots 18.02 and 18.03, currently under construction, that provide 70 and 71 per cent affordable housing respectively.
- 1.11. The section 106 agreement requires a rolling minimum of 28 per cent affordable housing, ensuring it does not reduce site-wide below this threshold. At present, 2,572 homes have been delivered on the Peninsula, of which 37 per cent are affordable.
- 1.12. Plot M0121 is located within the Lower Riverside neighbourhood, to the south-east of the Greenwich Peninsula masterplan. A plot plan is provided within the appendix. The scheme will deliver a minimum land value (MLV) to GLAP in accordance with the terms of the LDA.

2. Objectives and expected outcomes

- 2.1. This decision will permit KD to enter into a plot option agreement with GLAP, and to eventually enter into a development agreement and plot lease for Plot M0121 upon receipt of the option notice. The plot option agreement, development agreement and plot lease will be granted in accordance with the terms of the LDA.
- 2.2. The objectives are to:
 - deliver development in accordance with the approved masterplan
 - provide MLV to GLAP on grant of the leasehold interest
 - support the long-term regeneration of the Greenwich Peninsula.
- 2.3. KDDL has appointed its contractor and is seeking to start enabling works, such as pilling, under licence in March/April 2024. Plot drawdown and MLV payment is forecast to take place in early 2025, to enable construction to substantially commence in April 2025, and complete in April 2027.

3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010, functions of the GLA exercisable by the Mayor 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. The Mayor wants all Londoners to have good-quality homes, at a price they can afford. Across RB Greenwich, 31 per cent of households in 2020 had incomes under £25,000; this is an indicator of households that are in relative poverty. However, the median household income of £37,220 is slightly higher than the median for London of £35,800.¹ Despite this higher median of household income, RB Greenwich has approximately 25,000 households on their housing waiting list.² The regeneration project will assist with the delivery of housing supply for RB Greenwich.
- 3.3. The Greenwich Peninsula masterplan area, in its entirety, is providing a total of 17,487 homes, of which 30 per cent will be affordable homes. The delivery of the masterplan will therefore provide an important contribution to the local and strategic housing need. Plot M0121 is a fully private tenure plot, although it supports wider viability of the masterplan that increases affordable housing levels site-wide across the Peninsula.
- 3.4. Under the 2022 section 106 agreement, KD invests a Community Plan Contribution to support the delivery of community projects and activities that aim to develop Greenwich Peninsula as a thriving and sustainable community. Grant funding is allocated to community projects, voluntary-sector organisations and community groups based or operating in Greenwich Peninsula. In summer 2023 KD launched the Community Fund Panel to begin the distribution of grant funding. Projects selected for grant funding are required to demonstrate social value through:
- improved access to employment and training opportunities across the Peninsula
 - active participation in society (civic engagement) and improvement in life skills
 - developed capacity of local businesses, community groups and voluntary sector
 - delivering inclusive health and wellbeing programmes
 - positive impact on the local environment: air pollution is reduced, safeguarding the natural environment, resource efficiency and circular economy solutions
 - projects that create more resilient communities by demonstrating that crime is reduced, and vulnerable people are helped to live independently
 - more opportunities for disadvantaged people and those most vulnerable in the community – including full-time employment opportunities for armed forces veterans; homeless employees; mothers returning to work; survivors of modern slavery; young care leavers; rehabilitating offenders; and young people who are not in employment, education or training
 - innovative projects that have a positive the social, economic and environmental impact on the community.
- 3.5. KD works with their main contractors and supply chain to targets. On the Lower Riverside neighbourhood of Plot 19.05, the following targets were implemented (there is potential for similar targets to be implemented on M0121):
- 25 per cent local labour monitored
 - a minimum of eight education activities delivered per year with local schools and training providers
 - a minimum of eight community investment activities per year
 - 240 hours volunteered per year

¹ RB Greenwich, [Ward Profile 2020](#)

² RB of Greenwich, [Why we're building](#)

- 100 per cent of jobs advertised through Greenwich Local Labour and Business.

4. Other considerations

Key risks and issues

- 4.1. GLA officers have worked closely with KD to provide information and approvals in a timely manner, to allow the developer to proceed with certainty. GLA officers have also worked closely with their legal advisers to review the legal documents in advance and ensure any issues are addressed.
- 4.2. The site is due to obtain planning permission in February 2024, following which pre-commencement conditions will be discharged. KD has a contractor in place and will commence enabling works under licence once a plot option agreement is entered into.
- 4.3. A development agreement and plot lease will be entered into following an option notice being issued by KD, within 12 months of completion of the plot option agreement. GLA will receive its MLV payment upon completion of the plot lease, forecast in Q1 2025.

Links to Mayoral strategies and priorities

- 4.4. The Greenwich Peninsula is an Opportunity Area, designated in the London Plan (March 2022). The Opportunity Area has an indicative capacity for 17,000 new homes and 15,000 new jobs. Policy SD1, 'Opportunity Areas', sets out the need for Opportunity Areas to fully realise their growth and regeneration potential, including the requirement that Opportunity Areas maximise the delivery of affordable housing, and creative mixed and inclusive communities. The delivery of Plot M0121 will support the wider regeneration of the Greenwich Peninsula and will contribute 300 new homes within the Opportunity Area.

Consultations and impact assessments, including data protection

- 4.5. Statutory consultation was undertaken by the Local Planning Authority as part of the consideration of the planning application for Plot M0121. In addition to this, KD has consulted with residents.
- 4.6. GLA officers have not undertaken any consultation in addition to that outlined above. It has not been considered necessary or appropriate to consult any persons or bodies including those specified in section 32(1) of the Greater London Authority Act 1999 (GLA Act).
- 4.7. There are no known conflicts of interest to declare for those involved in the drafting or clearance of this DD.

5. Financial comments

- 5.1. Financial comments concerning GLAP's MLV have been provided in the part 2 confidential paper.

6. Legal comments

- 6.1. The foregoing sections of this report indicate that the decision requested falls within the statutory powers of the Authority exercisable by the Executive Director of Housing and Land, and the Interim Chief Finance Officer (having delegated authority via MD1111 pursuant to section 38 of the GLA Act), to do such things considered facilitative of or conducive to the promotion of economic development, social development and the improvement of the environment in Greater London.
- 6.2. Therefore, the Executive Director of Housing and Land and the Interim Chief Finance Officer (pursuant to their delegated authority granted under MD1111) may approve the proposed entry into

the agreement and other legal documents referred to in this report if satisfied with the content of this report.

- 6.3. As GLAP will be the party to the documentation, it will also need to approve the proposed documentation in accordance with its constitution.

7. Planned delivery approach and next steps

- 7.1. The project will be delivered according to the following timetable:

Activity	Timeline
Completion of plot option agreement	February/March 2024
Forecast M0121 enabling works	March/April 2024
Completion of development agreement and plot lease	January/February 2025
Forecast M0121 substantial start on site	April 2025
Forecast M0121 practical completion	April 2027

Appendices and supporting papers:

- Plot plan
- Architectural impression of proposed development of Plot M0121
- 2019 masterplan area (red line plan)

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: publication to be deferred until the legal documents have been completed.

Until what date: 25 March 2024

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:

Neala Gautam has drafted this report in accordance with GLA procedures and confirms the following:

✓

Assistant Director/Head of Service:

Simon Powell has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

Corporate Investment Board

A summary of this decision was reviewed by the Corporate Investment Board on 12 February 2024.

✓

INTERIM CHIEF FINANCE OFFICER:

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

Signature:



Date:

22/02/2024