

REQUEST FOR DIRECTOR DECISION – DD2565

Title: Rick Roberts Way Land Swap between London Borough of Newham and London Legacy Development Corporation

Executive Summary:

The London Legacy Development Corporation (LLDC) is seeking consent to the LLDC Board's decision to a land swap with the London Borough of Newham (LBN) at Rick Roberts Way (RRW) so that it creates two independently developable plots. RRW is a 3.6ha site south of Stratford High Street jointly owned between LLDC and LBN in a complex patchwork of leaseholds and freeholds that neither LLDC nor LBN can bring forward independently for development until their interlocked landholdings are consolidated. The proposed land swap consolidates these land interests as follows:

1. Rick Roberts Way South into the ownership of LBN. LBN's intention is to enter into an Agreement to Lease with the Department for Education for a Secondary School development; and
2. Rick Roberts Way North into the ownership of LLDC. LLDC's intention is to launch a competition for a partner to bring forward a housing development, including significant affordable housing.

Mayoral consent is required as the land swap involves the disposal of LLDC freehold and leasehold land interests under Paragraph 4.6 of the LLDC Governance Direction 2019 (approved under MD2502) as this is a 'Land Transaction' as defined in Clause 2 of the National Lottery Fund Repayment Agreement (NLFRA). The transaction includes settlement of the E20 Deed, a payment due to E20 by LBN upon disposal of RRW. External surveyors have confirmed the transaction is best consideration.

The whole of Rick Roberts Way currently sits within the LLDC estate boundary. Once the land swap consolidates the interests into LLDC and LBN separately, the Fixed Estate Charge would not be payable on LBN's land. The LLDC estate boundary will be adjusted to remove LBN's RRW South.

Decision:

That the Executive Director of Good Growth approves that LLDC enters into the land swap with LBN for some of its freehold and leasehold interests in Rick Roberts Way, on the basis that this constitutes best consideration for those interests. This would involve a "land transaction" as defined by clause 2 of the National Lottery Funding Repayment Agreement (NLFRA).

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: Philip Graham

Position: Executive Director, Good Growth

Signature:



Date:

10/1/22

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. Rick Roberts Way (RRW) is a 3.6ha site south of Stratford High Street jointly owned between LLDC and London Borough of Newham (LBN) in a complex patchwork of leaseholds and freeholds (see Appendix 1) that neither LLDC nor LBN can bring forward for development until their interlocked landholdings are consolidated.
- 1.2. The site is currently occupied by three interim uses with leases until March 2022. LLDC and LBN will look to grant further temporary leases on the site until such time as vacant possession is required for development, thus continuing a revenue stream for LLDC and employment opportunities on the site.
- 1.3. LBN and LLDC agreed to work together to separate the patchwork of land interests at Rick Roberts Way into two independently developable plots in late 2020. LBN secured Cabinet Approval in December 2020 and LLDC secured Board approval on 19 January 2021 to this approach.
- 1.4. The Heads of Terms for the land swap are now finalised, with contracts due to be exchanged by late December 2021, and completion expected by the end March 2022. This creates two developable plots:
 - 1.4.1. Rick Roberts Way North to be owned 100% by LLDC; and
 - 1.4.2. Rick Roberts Way South to be 100% owned by LBN.
- 1.5. There are two legal documents, the land transfer and a deed of covenant, that form the legal pack to enable the land swap.
- 1.6. The Land Transfer sets out that LLDC will transfer its freehold interest in the southern element of RRW to LBN and surrender its leasehold interests. Simultaneously, LBN will transfer its freeholds in the northern element to LLDC. This creates two newly consolidated plots to the North and South of Rick Roberts Way, in possession of LLDC and LBN respectively.
- 1.7. Mayoral consent is required as the land swap involves the disposal of LLDC freehold and leasehold land interests under Paragraph 4.6 of the LLDC Governance Direction 2019 (approved under MD2502) as this is a 'Land Transaction' as defined in Clause 2 of the National Lottery Fund Repayment Agreement (NLFRA).
- 1.8. There is nil consideration for either transfer. The Transfer agreement also notes that LBN will be released from the obligations of an E20 Deed which relates to the early delivery of a school on the Stadium Island now operating as Bobby Moore Academy. The E20 Deed is the E20 Stadium LLP Deed. E20 Stadium LLP was the body set up by LLDC and LB Newham to transform and manage the London Stadium. LB Newham retired from the partnership in 2017.
- 1.9. The Deed of Covenant sets out some obligations on both parties' land to ensure coordinated and coherent development of the separate parcels and that neither development prevents the other from being developed independently in the future. This includes items such as development and management of publicly accessible open space, due regard to the jointly commission Urban

Design and Landscape Framework and process and cost share of variation to existing planning permissions.

- 1.10. The whole of Rick Roberts Way currently sits within the LLDC estate boundary. Once the land swap consolidates the interests into LLDC and LBN separately, the land wholly owned by LBN should be removed from the LLDC estate boundary and not be liable for the Fixed Estate Charge. In 2016, under MD1646, the Mayor of London delegated responsibility to LLDC for the maintenance and upkeep of the Queen Elizabeth Olympic Park estate to a standard that would secure its regeneration and development. The Fixed Estate Charge is the levy charged by the LLDC to pay for that maintenance. The Mayor directed LLDC to make the charge in recognition of the obligation to maintain the Park and venues to an appropriate standard. Under the delegation and direction, LLDC has the right from time to time to vary the geographical extent of the Park boundary. The current boundary is available here:
<https://www.queenelizabetholympicpark.co.uk/-/media/191216-fixed-estate-plan-2019.ashx?la=en>

2. Objectives and expected outcomes

- 2.1. LLDC's proposal for Rick Roberts Way North is for it to be developed as part of LLDC's Portfolio Approach set out in the Stratford Waterfront Unilateral Undertaking, to achieve 50% affordable housing (by habitable room) across four sites: Stratford Waterfront, Bridgewater, Pudding Mill Lane and Rick Roberts Way. Collectively the sites will deliver approximately 2,568 homes, with RRW expected to deliver c.450. LLDC, following successful completion of the land swap, will launch a competition for a development partner in early 2022, seeking to appoint early in 2023. This will enable LLDC and its partner to achieve a start on site within the Affordable Homes Programme 2021-2026.
- 2.2. LBN has identified Rick Roberts Way South for a 4 Form Entry Secondary School and 6th Form, which they are seeking to deliver in partnership with the Department for Education (DfE). They have agreed the heads of terms for an agreement to lease, with the deal being subject to planning permission being obtained and consolidation of the land interests. The School is intended to open in 2024 and will be operated by School 21, a local Academy Trust.

3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010 (the Equality Act), as a public authority, the LLDC and GLA must have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation, and to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not. Protected characteristics under the Equality Act comprise age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status.
- 3.2. When considering the needs of the existing community and those that will be affected by the potential development at Rick Roberts Way, any development activity will look to minimise disadvantages to all protected characteristic groups within society, for example through design. Additionally, this decision is therefore expected to have positive impacts on persons with a protected characteristic under the Equality Act, as increasing the supply of housing in London will help to address problems such as overcrowding and homelessness, which evidence indicates disproportionately affect specific groups, including Black, Asian and minority ethnic groups; and women.

- 3.3. The development of Rick Roberts Way will deliver strategic objectives from the Mayor's Equality, Diversity and Inclusion Strategy (section: "Making London a great place to live").
- 3.4. The development of Rick Roberts Way will contribute to LLDC's 50 per cent affordable homes across a portfolio of LLDC sites increasing the supply of affordable homes. This will advance equality of opportunity for groups with a protected characteristic. The delivery of high-quality housing will also promote improved health and wellbeing, given evidence of an association between poor housing conditions and poor health.
- 3.5. LB Newham is one of the most disadvantaged boroughs in London, and one of the most diverse in terms of faith and ethnicity. It is paramount to redevelop this key strategic site in Stratford in a sustainable way, and to consider how the regeneration of the area will provide benefits for all local communities. The development at Rick Roberts Way will be designed to respond to the diversity of the surrounding area; and, in the design of the landscape and homes, will follow all Part M building-regulation requirements to create an accessible development in Stratford.
- 3.6. The proposals in this paper are not expected to have any negative impact on those with protected characteristics.

4. Other considerations

Key Risks

- 4.1. The land transaction is potentially dependent on LBN finalising an Agreement to Lease (AfL) with Department of Education for the delivery of the school. LBN are at an advanced stage of negotiations with DfE and likely to enter the AfL shortly. Completion of the land transaction between LLDC and LBN is not conditional on completion of the LBN and DfE AfL.

Links to Mayoral Strategies

- 4.2. This decision outlines an opportunity to create development land holdings providing both affordable housing and a new school, as well as bringing forward a brownfield site on Stratford High Street.
- 4.3. The development of Rick Roberts Way North will seek to implement a number of the Mayor's policies, such as those outlined in the new London Plan 2021 (the Healthy Streets Approach, the London Housing Strategy and the Transport Strategy) and is aligned with the Mayor's Equalities Framework to consider the requirements of relevant equalities groups. The residential development will be required to meet building safety standards that the Mayor has applied to LLDC land.
- 4.4. There are no conflicts of interest to note for any of those involved in the drafting or clearance of the decision.

Consultations and impacts assessment

- 4.5. LLDC have consulted with LB Newham, neighbouring landowners, property and legal advisors as well as the local planning authority throughout the development of the transaction.
- 4.6. Once LLDC appoints a development partner, as part of the town planning process, an Environmental Impact Assessment and community consultation will be undertaken.

5. Financial comments

- 5.1. The land swap will be concluded with zero consideration payable by either LLDC or the LB Newham for their acquired holdings. This includes settlement of the E20 Deed, a payment due to E20 upon disposal of RRW. Jones Lang LaSalle have undertaken an external, independent valuation of the land transaction and have concluded the transaction is best consideration. The housing development that is enabled as a result of the land swap has been taken into account in the GLA's long term financial plans for the funding of LLDC.
- 5.2. Part 2 of this decision contains further financial details.

6. Legal comments

- 6.1. There are no particular legal implications to this transaction which are not referred to elsewhere in this decision.

7. Planned delivery approach and next steps

- 7.1. *Set out how the project will be delivered and complete the outline timetable*

Activity	Timeline
Mayoral Decision	December 2021
Exchange of Contracts for the Land Transfer and Deed of Covenant	December 2021
Completion of Disposal and Acquisition	March 2022

Appendices and supporting papers:

- Appendix 1 – Current Land Ownership
- Appendix 2 – Proposed Consolidate Land Ownership
- Part 2 Form

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? NO

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:

Jamie Dean has drafted this report in accordance with GLA procedures and confirms the following:

✓

Assistant Director/Head of Service:

Louise Duggan 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

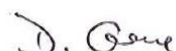
This decision was agreed by the Corporate Investment Board on 10 January 2022

✓

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature



Date

12/1/22