

# GREATER **LONDON** AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD3361

### Title: Stephenson Street Development Agreement Variation

#### Executive Summary:

Stephenson Street is a major housing development site in West Ham owned by GLA Land and Property Limited (GLAP), a wholly-owned subsidiary of the GLA. The site is subject to a Development Agreement (DA) between GLAP and Berkeley Homes South East Ltd (BHSEL) and Phase 1 has been under construction since 2020.

A new outline planning application for Phases 2-4 and a Reserved Matters Application (RMA) for Phase 2 obtained resolution to grant at a Planning Committee meeting in January 2025. As soon as the planning consent is secured (subject to BHSEL completing a section 106 Agreement with the Local Authority), a Deed of Variation to the DA will be required to align with a new construction programme, and to embed further changes agreed between GLAP and BHSEL to secure the long-term delivery of the scheme.

#### Decision:

That the Mayor approves GLAP entering into a deed of variation to the Development Agreement dated 26 April 2016 with BHSEL, on terms materially as set out in this decision.

#### 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:



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

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1. Stephenson Street is a 10.5 ha former Parcellforce site owned by GLAP, located to the immediate west of West Ham Station, in the London Borough of Newham (LBN). BHSEL were selected as GLAP's development partner through a London Development Panel (LDP) procurement process in 2015 and a Development Agreement (DA) was entered into in 2016.
- 1.2. The historical Mayoral Decisions (MD) that provided consent to progress through previous project stages are listed below:
  - MD1626 (March 2016) – approval of selection of BHSEL as preferred development partner and signing of the DA with BHSEL
  - MD1645 (April 2016) – approval of project expenditure for the management of the DA
  - MD2276 (April 2018) – approval of project expenditure, approval of DA Variation, and approval of legal agreement to unlock delivery of a secondary school
  - MD2550 (November 2019) – completion of legal agreements to unlock infrastructure delivery
  - MD2778 (March 2021) – approval of revenue expenditure for the ongoing management of the DA
  - MD3209 (December 2023) – approval to progress a new planning application for a new masterplan, and approval to enter a Development Agreement Deed of Variation
  - MD3269 (May 2024) – approval of revenue expenditure for the ongoing management of the DA.
- 1.3. BHSEL obtained the original planning consent for the scheme in 2019 and started construction on site in 2020. Phase 1 has achieved its first completions in Spring 2025, with the first occupations of affordable homes expected between April and June 2025.
- 1.4. In August 2024, BHSEL submitted three new planning applications: a revised detailed application for block S03 in Phase 1 (section 96 application), a revised outline planning application for phases 2 to 4 of the project, and a Reserved Matters Application (RMA) for Phase 2. The section 96 application has been granted by LBN, while the other two applications have received resolution to grant at a Planning Committee meeting in January 2025.
- 1.5. These planning applications revised the approach to fire safety for future phases of development, in line with recent changes to building safety requirements. In addition, they optimised the site's capacity and increased the overall provision of homes from circa 3,847 to 4,708. Of these, 40 per cent will be affordable homes (by habitable room) that will be delivered on site. In addition, a previous off-site contribution means that the overall affordable housing provision for this site is 48 per cent by habitable room.

#### **2. Objectives and expected outcomes**

- 2.1. The changes proposed in this decision form aim to achieve the following objectives:
  - align the DA with the new planning consent, and revised construction programme
  - ensure the timely delivery of homes, particularly affordable homes

- ensure the proposals remain in line with GLAP's strategic objectives for the site, and the Minimum Requirements included in the original Invitation to Tender (ITT)
  - ensure GLAP's commercial interests are safeguarded.
- 2.2. The new planning consent is subject to BHSEL, LBN and other parties agreeing a new section 106 Agreement, for which negotiations are well underway.
- 2.3. Following the new consent, a range of changes will be required in the DA between BHSEL and GLAP. This DA Deed of Variation will only be completed following the receipt of a decision notice on the planning application, however GLAP and BHSEL have negotiated a detailed legal draft in advance, to ensure delivery can continue at pace. This is important as BHSEL is working to an ambitious programme to secure a Registered Provider (RP) and affordable housing grant for Phase 2.
- 2.4. The key proposed changes to the DA are listed below, and further details are provided in Part 2 of this decision:
- a) revised milestones in Schedule 7 of the DA, to align with the new construction programme, and the delivery of an increased number of homes on the site
  - b) extensions of time for specific milestones, to address potential delays in getting Gateway 2 and Gateway 3 approvals from the Building Safety Regulator.

### **3. Equality comments**

- 3.1. Under section 149 of the Equality Act 2010 (the "Equality Act"), as a public authority, the 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 re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation and marriage or civil partnership status.
- 3.2. The purpose of the changes set out above is to ensure that the scheme can continue to deliver much needed housing, including affordable housing and private rented housing, both in the medium and long-term. There is strong evidence that groups from minority ethnic backgrounds are more likely to rely on affordable housing and Private Rented Sector accommodation in London, compared to people that identify as White British (GLA Housing Research Note 8 – Housing and race equality in London, 2022).
- 3.3. Furthermore, the design of the new masterplan is landscape led and this, together with the new pedestrian and cycle infrastructure being delivered on site, will promote enhanced access to open space for both new and existing residents in the area, and enhanced access to public transport through a new entrance into West Ham Station. The masterplan will also provide new community facilities, a new secondary school and retail offer around West Ham Station.
- 3.4. This decision is therefore expected to have positive impacts on persons with a protected characteristic under the Equality Act.

### **4. Other considerations**

#### Key risks and issues

- 4.1. The main risks are summarised in the table below, with further information provided in Part 2 of this decision form.

<b>Risk</b>	<b>Probability</b>	<b>Impact</b>	<b>Mitigations</b>
Delays in achieving planning consent	Low	High	Enabling works for Phase 2 will start imminently and design work has been progressed in advance of securing planning consent, to decrease programme risks.
Delays in securing an RP	Medium	High	Extensive market engagement has progressed in parallel to the planning process.

#### Links to Mayoral strategies and priorities

- 4.2. This decision outlines an opportunity to secure future delivery on a scheme which will comprehensively redevelop a significant brownfield site in East London and deliver much needed housing and affordable housing on GLAP land.
- 4.3. The project supports a range of Mayoral policies and strategies, including Good Growth objectives, Mayor's policies, such as those outlined in the London Plan 2021 (the Healthy Streets Approach, the London Housing Strategy, and the Transport Strategy) and the Health in All Policies approach, and is aligned with the Mayor's Equalities Framework to consider the requirements of relevant equalities groups. This residential development will be required to meet building safety standards that the Mayor has applied to GLA land.

#### Conflicts of interest

- 4.4. There are no conflicts of interest involved in this decision form from any of the officers who drafted and cleared it.
- 4.5. As the project sits on GLA-owned land, when the GLA considers the planning application, the Mayor will delegate authority to the Deputy Mayor for Planning, Regeneration and the Fire Service, as is the protocol in these scenarios.

### **5. Financial comments**

- 5.1. See Part 2 for comments.

### **6. Legal comments**

- 6.1. TfL Legal and GLAP officers are working with external advisors CMS on this matter who are advising on the proposal for variations to the development agreement.
- 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:
  - promoting economic development and wealth creation in Greater London
  - promoting social development in Greater London
  - promoting the improvement of the environment in Greater London.
- 6.3. 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:
  - 6.3.1. 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.

6.4. Sections 1 - 4 of this report indicate that the decision requested of the Mayor falls within the GLA's statutory powers.

## 7. Planned delivery approach and next steps

Activity	Timeline
Complete section 106 Agreement (forecast)	April 2025
Decision notice (forecast)	April 2025
Complete Development Agreement Deed of Variation (subject to the above)	April 2025
Phase 2 start on site (forecast, subject to planning and BSR approvals)	Mid-2025

### 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 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: defer until signing of Development Agreement Deed of Variation.

Until what date: 30 April 2025.

### 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:

Olga Di Gregorio 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.

✓

#### Mayoral Delivery Board

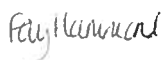
This decision was agreed by the Mayoral Delivery Board on the 14 April 2025.

✓

### CHIEF FINANCE OFFICER:

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

#### Signature:



#### Date:

30/04/2025

### CHIEF OF STAFF:

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

#### Signature:



#### Date:

22/04/2025