

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2743

Title: Land Disposal Agreement Fifth Deed of Variation - Greenwich Peninsula

Executive Summary:

GLA Land and Property Limited (GLAP) is seeking to enter into the Land Disposal Agreement (LDA) 5th Deed of Variation at Greenwich Peninsula. The variation will allow for a new commercial structure for the delivery of plots where the tenant and the developer are two separate entities, thus enabling forward-funding and forward-selling of plots.

Knight Dragon are seeking to attract additional equity funding on the Peninsula, thereby accelerating delivery of the masterplan, and this proposed amendment seeks to facilitate that. The changes would modernise the LDA to reflect evolving market-facing delivery structures for a development site of this scale. The “Minimum Development Obligations” (MDOs) in the LDA will increase to ensure development comes forward at a faster pace on the Peninsula.

This decision is delegated to the Executive Directors named below, 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 Chief Finance Officer approves:

- 1) Entering into the Land Disposal Agreement Fifth Deed of Variation

AUTHORISING DIRECTOR

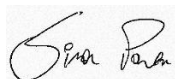
I have reviewed the request and am satisfied it is correct and consistent with the Mayor’s plans and priorities.

It has my approval.

Name: Tim Steer

Position: Executive Director, Housing and Land

Signature:



Date:

31/03/2025

pp. Simon Powell, Assistant Director, Land and Development,
on behalf of the Executive Director, Housing and Land

Name: Fay Hammond

Position: Chief Finance Officer

Signature:



Date:

31/03/2025

pp. Anna Casbolt, Assistant Director, Financial Services, on
behalf of the Chief Finance Officer

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. The regeneration of 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 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 certain minimum development requirements are met. KD is also responsible for the delivery of site-wide infrastructure.
- 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). The 2015 masterplan was prepared after it became evident that the 2004 masterplan no longer met contemporary and future needs.
- 1.5. 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.
- 1.6. To date, development on the Peninsula has been solely funded through developer's equity and debt, either through Knight Dragon direct delivery or disposal of Plots to third-party developers.
- 1.7. To accelerate development, KD is now seeking to diversify funding sources and delivery structures, to enable them to dispose of Plots to investors through forward-funding or forward-selling structures, whereby the plot leaseholder is separate from its developer. The LDA is currently structured so that the same entity develops and retains the asset and therefore needs to be modified to enable the flexibility to accommodate these potential new delivery structures, where appropriate.
- 1.8. The amended LDA provide that in respect of a Plot, KD may call for the plot lease and development agreement to be entered into by different entities where the tenant will forward fund the development of a particular Plot (and the tenant entity will not be a group company of the Developer).

- 1.9. There will be no changes to the point at which the land value is paid to GLAP, being either at plot draw down, or on the timing of deemed novation receipts against the common cost (infrastructure) account.
- 1.10. To reflect the expected impact of the new delivery structure on the pace of delivery, the LDA Fifth Deed of Variation also increases the Minimum Development Obligations (MDOs).

2. Objectives and expected outcomes

- 2.1. GLAP's main objective, as set out in the LDA, is to ensure the sustainable long-term regeneration of Greenwich Peninsula, and the delivery of the 2019 masterplan, which include increased levels of affordable housing in the Brickfields neighbourhood.
- 2.2. In the current circumstances, and as reflected in this Decision, GLAP's priority is to ensure development momentum increases across the Peninsula, and new affordable homes are delivered alongside private-led development.
- 2.3. The proposed amendments will have the short-term effect of unlocking housing delivery on Plots M0121, Plots 1.02 and 1.03 resulting in c. 1,166 new homes delivered over the next five years and will contribute to medium-long term housing delivery beyond this period. Those plots will generate minimum land value to GLAP and will contribute towards delivery of site-wide infrastructure across the Peninsula.

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 characteristics 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. This decision is expected to have positive impacts on persons with a protected characteristic under the Equality Act as it supports the overall Greenwich Peninsula masterplan, which delivers 17,487 homes of which 30 per cent will be affordable. The LDA Fifth Deed of Variation will support an accelerated delivery of the masterplan, including the future Brickfields neighbourhood which provides affordable housing at 50-60 per cent. Increasing affordable housing supply and employment will help address problems such as overcrowding, unemployment and homelessness. Evidence indicates that these problems disproportionately affect specific groups including women and Black and Minority Ethnic groups.

4. Other considerations

Key risks

- 4.1. The key risks and their mitigation are summarised in the table below.

Risk	Description	Mitigation
Stalled delivery	Development commences under the LDA and forward agreement but is unable to complete.	The LDA Fifth DoV provides GLAP with approval rights over third parties looking to invest in the Peninsula, such rights based on their covenant strengths and delivery record, which will give confidence that the proposed partner has the financial capability to carry out the development. It also diversifies source of equity from multiple parties, mitigating risk of stalled delivery.

Links to Mayoral strategies and priorities

- 4.2. 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.

Consultations and impact assessments

- 4.3. GLA officers have engaged with KD on this decision. It has not been considered necessary or appropriate to consult any other persons or bodies, including those specified in section 32(1) of the Greater London Authority Act 1999.
- 4.4. There are no known conflicts of interest to declare for those involved in the drafting or clearance of this decision form.

5. Financial comments

- 5.1. Financial comments are included in Part 2 of the decision form.

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 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 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

Item	Timescales
Plots M0121, 1.02 & 1.03 Plot Option Agreements (subject to further Director Decision)	May 2025
Plot M0121 Draw-down & Start on site	Summer 2025
Plots 1.02 and 1.03 Draw-down & Start on site	Spring 2026

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: Until Deed of Variation is entered.

Until what date: 1 July 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:

Tifenn Kergosien 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.

✓

Mayoral Delivery Board

A summary of this decision was reviewed by the Mayoral Delivery Board on 31 March 2025.

✓

CHIEF FINANCE OFFICER:

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

Signature:



Date:

31/03/2025

pp. Anna Casbolt, Assistant Director, Financial Services, on behalf of the Chief Finance Officer