

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3443

Approval to enter into a joint venture at Silvertown Quays

Programme: Building more homes

Executive summary:

The GLA proposes to invest in Silvertown Quays in the Royal Docks by becoming a 50 per cent shareholder in The Silvertown Partnership LLP, alongside Lendlease and The Crown Estate, via their joint venture LL Silvertown Development LLP. This will support the delivery of 7,000 homes and form part of the Mayor's new City Hall Developer initiative.

A £110m capital budget is proposed for GLA's investment via a new subsidiary, GLA Housing Investments (Silvertown) Ltd (GLAHIS), wholly owned by GLA Holdings Ltd. Delegations are sought for GLAHIS directors, and the Executive Director of Housing and Land. A further Mayoral Decision is pending on Homes England loan documentation and security arrangements. Until that is approved, current proposals remain conditional.

Decision:

That the Mayor approves:

- the incorporation of GLA Housing Investments (Silvertown) Ltd (GLAHIS) as a wholly owned subsidiary of GLA Holdings Ltd
- a GLAP revenue budget of £500,000, as detailed in Part 2.

And subject to a further Mayoral Decision, the Mayor approves:

- delegations to the Executive Director of Housing and Land to approve decisions of GLAHIS within the Governance Table (Part 2), and the directors of GLAHIS (as nominated from time to time) to approve decisions within the parameters of the Governance Table (Part 2)
- allocation of a £110m capital budget which includes provision for operational costs of the company over its life of £2.25m
- GLAHIS entering into the The Silvertown Partnership LLP joint venture (JV) agreement with LL Silvertown Development LLP; the services agreements and the business plan all materially on the terms set out in this decision (in Part 2) and any necessary ancillary documentation
- GLA Holdings Ltd providing: a guarantee to The Silvertown Partnership LLP for GLAHIS's 50 per cent share of obligations in the JV; and a deed of indemnity to Lendlease Europe Holdings Ltd for GLAHIS's 50 per cent share of existing third-party guarantees, both materially on the terms set out in Part 2.

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:

12/11/25

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

Decision required – supporting report

1. Introduction and background

Background to the proposed transaction

- 1.1. Silvertown Quays (SQ) is a 60-acre development site in the Royal Docks Enterprise Zone owned by GLA Land and Property Ltd (GLAP). In June 2013, following a regulated procurement for a development partner to deliver a mixed-use development at SQ, GLAP entered into a Master Development Agreement (MDA) with the developer, The Silvertown Partnership LLP (TSP) and BREPS LLP. TSP had an Outline Planning Permission (OPP) granted in August 2016.
- 1.2. The site is currently under development in phase 1, where plot 6 is delivering 106 affordable homes with The Guinness Partnership. The remaining parts of the site are at different planning and design stages. The next plot to be progressed within phase 1 is expected to be plot 1D2D; this will deliver a further 336 affordable homes. A planning application was submitted in December 2022 (with amendments made in October 2023 and December 2024). This application was for circa 7,000 homes and includes 30 per cent affordable housing.
- 1.3. SQ comprises several important infrastructure elements:
 - a partial dock-infill to enable an increase in development land
 - the refurbishment of Silo D, a grade II listed concrete grain silo
 - a bridge across the Royal Victoria Docks to improve connectivity from the site to Custom House
 - the refurbishment of Millennium Mills, a former flour mill.
- 1.4. TSP is currently a joint venture (JV), comprising 50 per cent interests held by subsidiaries of Lendlease and Starwood Capital (Starwood) respectively. In late 2023, the GLA was approached by Lendlease and Starwood to consider entering the JV, as Starwood had planned a time-limited exit from TSP.
- 1.5. Since then, officers have engaged in legal, commercial, financial and tax due diligence to consider the proposed transaction terms and implications. These are summarised in Part 2 of this decision form.

Requests for approval and budgets:

- 1.6. Approval is sought for a capital budget of £100m to enable the GLA, acting through a newly incorporated subsidiary of GLA Holdings Ltd, GLA Housing Investments (Silvertown) Limited (GLAHIS), to enter into the existing TSP JV as a 50 per cent shareholder.
- 1.7. This decision also seeks a contingency of £10m, to be held corporately. This is to provide flexibility in managing unforeseen costs or timing mismatches associated with a long-term regeneration project of this scale and complexity. This ensures the subsidiary can respond to operational needs without delay – particularly during mobilisation and early delivery phases.
- 1.8. The total budget of £110m will be funded from GLA Housing and Land reserves. This will be deployed in accordance with the JV's business plan; the governance framework set out in the LLP Members' Agreement; and in this Mayoral Decision (MD).
- 1.9. The establishment of a wholly owned subsidiary of GLA Holdings Limited – GLAHIS – is being sought to enable the GLA's investment in the JV.
- 1.10. A separate contingency budget of £500,000 is also requested for GLAP costs, as referenced in Part 2 of this decision.

- 1.11. Included within the budget allocation of £110m is a sum of £2.25m to:
- cover the administrative costs of GLAHIS
 - support monitoring and advisory functions related to the GLA's oversight of its JV investment.
- 1.12. The £2.25m will allow for £150,000 per annum for 15 years to cover the operational running costs of the company. In addition, £100,000 per annum will be received as a contribution from TSP to the GLA's monitoring costs.
- 1.13. The standing delegation to the Executive Director of Housing and Land will be relied upon to finalise and enter into the JV legal documentation, along with any related agreements that they consider necessary or appropriate. This includes services agreements provided by Lendlease on behalf of the joint-venture (Development Management Agreement and Asset Management and Property Management Agreement). This delegation would apply on behalf of the GLA, GLA Holdings and GLAHIS; and would be exercised substantially in accordance with the terms and due diligence outlined in Part 2 of this decision form.
- 1.14. Approval of the initial business plan as appended in Appendix 1 of Part 2 of this decision form.
- 1.15. The proposed investment for which approval is sought under this decision form will not be implemented unless a future MD is approved, setting out the terms agreed with Homes England for the varied loan agreement and security package alongside any further legal analysis.

Prior approvals

- 1.16. Pursuant to a competitive procurement process, launched in 2011, GLAP selected TSP as its development partner; and entered into the MDA with TSP in June 2013 to deliver a mixed-use redevelopment on the SQ site in the Royal Docks. TSP submitted an outline planning application in 2014, which was approved by the London Borough of Newham (LB Newham) and the previous Mayor of London in December 2015; the section 106 (s106) agreement was signed in August 2016. In 2018, GLAP approved a change-of-control event involving a corporate restructuring of the ownership interests in TSP and the entry into associated documents. More detail of these changes and documents can be found in MD2280 (May 2018).
- 1.17. The bulk of historic approvals have been to consent to stages in the project, as follows:
- MD977 (March 2012) – adoption of the London Development Agency's procurement process
 - MD1205 (May 2013) – signing of the MDA with TSP
 - MD1410 (November 2014) – investment of grant from the former Department for Communities and Local Government into the site
 - MD1653 (May 2016) – signing of s106 agreement relating to the OPP
 - MD2280 (May 2018) – approval of the change of control under the MDA
 - MD2523 (October 2019) – approval for annual expenditure and income; and a note regarding the potential changes to the MDA to secure affordable housing policy compliance
 - MD2784 (September 2021) – approval to enter into a Deed of Variation to the MDA to facilitate changes in counterparty identity within TSP, as well as an increase in affordable housing to 50 per cent
 - MD3160 (November 2023) – budget approval for commercial and legal fees
 - MD3423 (September 2025) – approval for variations to the MDA.

Sequencing of GLA's entry

- 1.18. The new subsidiary, GLAHIS, will be created to facilitate entry into the JV documentation.
- 1.19. The GLA's entry into the JV and associated documents will be conditional on and will not occur until the following matters are concluded:
 - the terms of the revised Homes England loan agreement and associated security being agreed to the GLA's satisfaction
 - legal analysis of the transaction, inclusive of the above concluded to the GLA's satisfaction
 - a subsequent MD relating to the above is approved.

2. Objectives and expected outcomes

A strategic site needs a strategic partner

- 2.1. SQ is a major mixed-use regeneration project forecast to deliver over 7,000 homes of all tenures within the only Enterprise Zone in London. It is one of the last remaining brownfield sites of this scale in London.
- 2.2. Due to its strategic location and scale, it is a crucial part of delivering the Royal Docks' inclusive growth and regeneration agenda. The aim of SQ is to bring new homes, public realm, infrastructure and businesses to the area, to benefit local residents and Londoners more widely.
- 2.3. The project has been impacted by unforeseeable external factors that have impacted the project. These include the change in building safety regulations; and the continued impact of the COVID-19 pandemic and subsequent inflation on commercial and residential development markets and planning policy. The GLA has a role to play in sharing risks with the private sector to maintain momentum on this strategic site under its ownership, especially as the first affordable homes are under development.
- 2.4. This is a complex, multi-phased project that requires a committed partner with a long-term investment horizon and vision. The GLA has a track record in playing this role. As part of the Mayor's ambitions for a new City Hall developer, the GLA is committed to expanding its investment approach to other critical sites, subject to available resources.

Investment opportunity

- 2.5. The continued delivery of the site will enable additional certainty and opportunity to optimise land receipts for GLAP, business rates for the Royal Docks Enterprise Zone, and realise a return on the GLA's equity investment in the JV.

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.
- 3.2. 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.
- 3.3. Increasing the supply of housing in London will help to address problems such as overcrowding and homelessness. Evidence indicates these problems disproportionately affect specific groups, including

Black, Asian and minority ethnic groups; and women.

- 3.4. The delivery of new and additional homes will help to implement the objectives of the Mayor's Equality Diversity and Inclusion (EDI) Strategy, Inclusive London (May 2018). This includes working with housing associations, councils, developers, investors and government to help increase the supply of homes that are genuinely affordable to buy or rent. This will help to tackle the inequalities experienced by certain groups of Londoners most affected by the city's shortage of affordable homes.
- 3.5. The outline masterplan will be designed to provide a substantial amount of affordable and family homes, in line with the new London Plan. This will advance equality of opportunity for groups with a protected characteristic.
- 3.6. LB Newham is one of the most disadvantaged boroughs in London, and one of the most diverse in terms of faith and ethnicity. The masterplan is 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 the Royal Docks.
- 3.7. There is a high proportion of young people in LB Newham compared to other London boroughs. The play space, landscaping and education facilities will create opportunities for communities to come together and foster good relations between diverse groups.
- 3.8. A set of EDI performance metrics have also been designed to focus the JV on achieving positive impacts locally and more widely. This includes apprenticeships, placements, and workforce diversity targets respectively relating to the project itself and to Lendlease as a counterparty to the transaction. These metrics will be reviewed regularly to ensure accountability and continuous improvement.

4. Other considerations

Key risks and issues

- 4.1. Key risks to the success of this project include those around specific project costs, revenue and delivery. Further information is included in part 2 of this decision.

Links to Mayoral strategies and priorities

- 4.2. The London Housing Strategy sets out the policy rationale for the GLA to take a more interventionist approach in London's land market, with the aims of maximising affordable housing delivery, and accelerating the speed of building – including on public land. This intervention is focused on strategic land owned by GLAP and consistent with the delivery plan for the Mayor's Building More Homes programme (approved by MD3378), particularly with the commitment to create a City Hall Developer.
- 4.3. The GLA's entry into the Silvertown JV exemplifies this approach by using public land and capital to unlock a complex, large-scale regeneration site that would benefit from a long-term strategic partner such as the GLA. The JV structure enables the GLA to take a more active role in shaping delivery outcomes; accelerating housing supply; and ensuring high levels of affordable housing.
- 4.4. Investment in this JV advances the objectives of the London Plan (2021), which identifies SQ as part of the Royal Docks and Beckton Riverside Opportunity Area – a strategic location earmarked for thousands of new homes and jobs. The JV contributes to the Plan's goals of optimising brownfield land; delivering mixed-tenure housing; and creating sustainable, inclusive neighbourhoods with close access to good public transportation links.
- 4.5. Finally, the JV is a key initiative within the Royal Docks Delivery Plan (2024–29), which sets out a vision for regeneration, enterprise and placemaking in London's only Enterprise Zone. Silvertown is central to delivering the Plan's goals of prosperity, sustainability, and community benefit.

Know Your Customer Checks

- 4.6. The "Know Your Customer" due diligence process, under the GLA's Anti-Money Laundering Policy, will be undertaken prior to entering into the transaction. This is to verify the identity of the contracting entities.

Conflicts of interest

- 4.7. The officers involved in the drafting or clearance of this form do not have any interest to declare, in accordance with the GLA's policy on registering interests that might, or might be seen to, conflict with this MD.

Operational delegations required for participation in the JV

- 4.8. Details of the delegations to relevant subsidiary directors, and the Executive Director of Housing and Land, are provided in Part 2 of this decision form.

5. Financial comments

- 5.1. Further financial comments are included in Part 2 of this decision form. The GLA will be committing resources as follows to the project:
- The scheme is to be funded from £110m of Housing and Land Fund reserves. Of this, £10m is contingency; should the scheme progress to plan, this will not be required.
 - Within the £100m of core equity funding, £91.7m is forecast to be required to fund the equity investment into TSP; and a further £2.25m is forecast to be used for the operational costs of the holding company making the investment into TSP (GLAHIS). This leaves £6m of headroom within the project funding before any requirement to draw on the £10m contingency allocation.
 - Charging the operational costs of monitoring and managing the scheme to GLAHIS allows them to be treated as tax-deductible expenses. This will reduce the holding companies' tax liability when equity surpluses are distributed from TSP.
 - Funding requirements will be closely monitored through the delivery of the scheme; the business plan will be reviewed annually. Any requirement for the use of the £10m contingency allocation will be flagged as part of regular risk monitoring; appropriate mitigation actions will be identified.
 - A further £500k contingency will be set aside from GLA reserves for GLAP costs, as referenced in Part 2 of this decision form.
- 5.2. The business plan assumes the repayment of the GLA equity investment and (depending on the project's performance) an equity return to the GLA, which could be used to support additional regeneration projects and affordable housing delivery. The £2.25m of estimated operational expenditure can be funded through the life of the project. There may be some initial upfront cashflow funding required from the GLA; however, these costs will be funded from distributions based on the cashflow forecasts in the financial model.
- 5.3. The GLA entering into the JV is conditional on a further MD to approve the terms of the revised loan agreement between Homes England and the JV. This includes the security and loan guarantees that the JV partners (including the GLA) will enter into, to secure the restructuring of £233m of loan finance to support the scheme.
- 5.4. The JV partnership has been created to support a long-term and complex regeneration project. The project is backed up by a financial plan that sets out expenditure, income and financing costs for the project as a whole. The financial plan forecasts the repayment of the GLA equity stake; and a financial

return over and above the equity repayment that will be available to the GLA to support further regeneration and housing delivery.

- 5.5. As a complex and long-term scheme, the plan will inevitably change through the life of the project. There is a potential for significant risks to materialise through in this time – including economic risks that see an increase in construction and financing costs, and a reduction in sales income; and changes in the regulatory environment that may impact costs and sales values.
- 5.6. The GLA is funding the JV via an equity investment. Unlike a loan, an equity investment equity does not have security attached to it. Should adverse scenarios materialise, the investment may be at risk. The advantage of an equity investment is that, should the project proceed in line with the financial forecasts that have been subject to due diligence in this paper, then there is the potential for the GLA to realise a surplus return. This would be available to support further regeneration and affordable housing schemes in London.
- 5.7. A further MD will consider the terms of the £233m loan, and the guarantees that the GLA will enter into with Homes England, in order to provide further finance to support the scheme.
- 5.8. Part 2 of this report looks in more detail at the stress testing of the financial model. A future MD will address the terms of the GLA's financial guarantees in respect of the Homes England loan to TSP of £233m. The GLA's share of this, as a 50 per cent equity partner, would be £116.5m.

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.
- 6.2. 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 UK; and contribute towards the mitigation of or adaptation to climate change in the UK
 - consult with appropriate bodies.
- 6.3. Under section 34 of the GLA Act, which allows the Mayor to do anything that is calculated to facilitate, or is conducive or incidental to, the exercise of any of his functions (including his functions under section 30) and the Mayor's powers (under section 38 of the GLA Act) to delegate to any GLA member of staff functions of the GLA that are exercisable by him, the foregoing sections of this report indicate that the Mayor has the power to agree to the decisions set out above.
- 6.4. The approvals sought in this paper are subject to a future MD being presented to the Mayor, detailing further legal analysis related to the proposals in this MD – as well as restated loan and security package with Homes England. Unless and until those decisions are presented to the Mayor and approved, the proposals in this paper will not be implemented.

6.5. Please see further legal comments in Part 2 of this decision.

7. Planned delivery approach and next steps

7.1. The tasks are summarised below:

Tasks	Estimated date
Contract Change Notice (MDA) issued	10 November 2025
Agreement to the Homes England terms	10 November 2025
MD (Homes England loan and public law)	8 December 2025
Legal completion of: <ul style="list-style-type: none">• the JV• the MDA variation• Homes England loan facility• all other ancillary documentation	15 December 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 be published either within one working day after it has been approved or on the defer date.

Strategic Programmes

Does this decision seek approval for activity falling within the remit of a programme delivery plan? YES

If YES, which programme/s does this fall within: Building more homes

Part 1 – Deferral

Is the publication of Part 1 of this approval to be deferred? YES

If YES, for what reason: The conditional nature of the transaction, until it is completed.

Until what date: 20 December 2025.

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:

Marc Jacquemond 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 27 October 2025.

CHIEF FINANCE OFFICER:

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

Signature: *Fay Hammond*

Date: 11 November 2025

CHIEF OF STAFF:

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

Signature: *D. Bellamy*

Date: 11 November 2025

