GREATER**LONDON**AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2721

Plot N0202 Disposal (The Hub Building) – Greenwich Peninsula

Executive summary:

GLA Land and Property (GLAP) is seeking to dispose of Plot N0202 at Greenwich Peninsula. This follows an agreement with Knight Dragon (KD), the main development partner of Greenwich Peninsula, for GLAP to grant a 999-year leasehold interest to KD, in exchange for a land payment to be received no later than 30 days from the 10th anniversary of the lease being granted. It follows the terms of the Land Disposal Agreement (LDA) that governs how KD can draw down land owned by the GLA at Greenwich Peninsula.

Plot N0202 is included within the 2015 outline masterplan planning permission for Greenwich Peninsula. Occupying the plot is a development informally referred to as the Hub Building. An existing 20-year lease applies to Plot N0202. This lease will be surrendered; and a re-grant of a 999-year lease will be entered.

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, approve:

- the surrender of the existing Plot N0202 lease between GLAP and Knight Dragon
- the granting of a lease to Knight Dragon, under the terms of the Land Disposal Agreement, to enable disposal of Plot N0202 and the commercial terms set out in Part 2 of this Decision form.

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: Simon Powell (pp. Simon Powell, Assistant Director, Land and Property, on behalf of Tim Steer)	**Date:** 1 November 2024
Name: Fay Hammond	**Position:** Chief Finance Officer
Signature: Fay Hammond	**Date:** 1 November 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 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.

1.3. 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 N0202 is in the 2015 masterplan area. The 2015 masterplan was prepared after it became evident that the 2004 masterplan no longer met contemporary and future needs.

1.4. Plot N0202 is occupied with development in the form of a central marketing hub under an existing planning application (ref: 13/1319/F). The central marketing hub is developed as two buildings joined by a single canopy structure. One building is split over four floors and contains the sales and marketing suite, including exhibition space and ancillary space. The other building comprises three floors, and contains retail uses in the form of food and beverages. These two buildings together constitute a site called the Hub Building.

1.5. GLAP entered a lease with KD in 2014 for 20 years (up to 2034) for Plot N0202. This enabled KD to operate the Hub Building, originally envisaged as a temporary development to promote place making and activation.

1.6. KD approached GLAP to negotiate an extended lease period to operate the Hub Building. With the view that The Hub Building would form a more permanent feature of the masterplan both parties agreed that the existing 20-year lease would be surrendered, and a new long lease would be granted for 999 years.

2. Objectives and expected outcomes

2.1. The objectives are to:

- provide Minimum Land Value (MLV) to GLAP within a set period of 10 years (further detail of the commercial terms are outlined in Part 2 of this decision form). The MLV is paid to GLAP on the draw-down of each plot and is calculated as per the terms of the LDA.

- support the long-term regeneration of the Greenwich 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 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. 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 and generates local employment as explained below. Increasing affordable housing supply and employment will help address problems such as overcrowding, unemployment and homelessness. Evidence indicates that these problems disproportionally affect specific groups including women and Black and Minority Ethnic groups.

3.3. The Mayor's Equality, Diversity and Inclusion Strategy, Inclusive London (2018), provides strategic objectives (in chapter three) on London being a great place to work and do business. This decision optimises the letting of the retail space provided by Plot N0202 by enabling lengthier lease periods. This makes Greenwich Peninsula a more attractive location to work and do businesses.

3.4. The decision helps promote local employment opportunities and contributes to the Royal Borough of Greenwich's local economy. This is particularly important as Greenwich is in the bottom most deprived quarter of all local authorities in England as per the Indices of Deprivation (IoD 2019). The IoD measures the relative deprivation across England. It is based on 39 indicators which are organised around seven domains, of which employment is one. Employment deprivation in Greenwich is spread across the borough although is identified as most deprived in the Peninsula. The employment deprivation measures the proportion of the working age population in an area involuntarily excluded from the labour market. This decision is therefore important as it can help increase and diversify employment opportunities at the Peninsula.

4. Other considerations

<u>Key risks</u>

4.1. It is important that Greenwich Peninsula (particularly the Peninsula Central neighbourhood, where Plot N0202 is located) provides for a vibrant mix of uses – including places to work, shop and play. Therefore, the provision of suitable lettable space is vital to the overall success of Greenwich Peninsula regeneration scheme. This decision supports longer-term leases of retail space at the Peninsula. KD has advised that these leases are of interest to organisations seeking to do business in this area.

4.2. Not issuing KD a 999-year lease to draw down the land provides uncertainty in terms of when GLAP would receive its land payment. The disposal of Plot N0202 is the most appropriate method to ensure GLAP's land payment is received on the terms set out in Part 2 of this decision form.

<u>Links to Mayoral strategies and priorities</u>

4.3. 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

4.4. 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 the section 32(1) of the Greater London Authority Act 1999.

4.5. 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. Finance 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

Activity	**Timeline**
Key Heads of Terms agreed	September 2024
DD approved	October 2024
Legal drafting of 999-year lease complete	November 2024
999-year lease signed	November 2024
KD enters lease with new tenant on Plot N0202	November 2024

Appendices and supporting papers:
Appendix 1 – Plot N0202 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 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: to allow GLAP time to enter the 999-year headlease, and for the lease to have been exchanged by parties before the decision is published.

Until what date: 30 October 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: 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 request and is satisfied it is correct with the and consistent Mayor's plans and priorities.	✓
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 28 October 2024.	

CHIEF FINANCE OFFICER:

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

Signature:

Fay Hammond

Date:

31 October 2024