

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3295

GMV Phase 5 – Deed of Variation to Agreement for Lease

Executive summary:

This Mayoral Decision seeks approval for GLA Land and Property Ltd (GLAP) to enter into a Deed of Variation to an existing Agreement for Lease (AfL) for phase 5 (the final phase) of Greenwich Millennium Village (GMV), SE10. This will support the development of additional new housing, including affordable housing, subject to planning consent.

The AfL is between GLAP and Greenwich Millennium Village Ltd, a joint-venture partnership between Countryside Properties and Taylor Wimpey.

Decision:

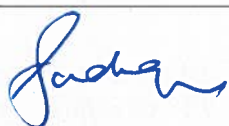
That the Mayor approves GLA Land and Property Ltd (GLAP) entering into a Deed of Variation to the Agreement for Lease for phase 5 of Greenwich Millennium Village on approximately 0.9 hectares of land on the heads of terms set out in Part 2 of this MD.

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:

7/10/24

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

Decision required – supporting report

1. Introduction and background

- 1.1. Greenwich Millennium Village (GMV) remains GLA Land and Property Limited's (GLAP's) longest-running development site, dating back to the Millennium Communities Programme launched by English Partnerships in 1997. GMV is in the southern part of Greenwich Peninsula, in south-east London. It is being developed in partnership with a joint venture (JV) between Countryside Properties (now part of Vistry) and Taylor Wimpey, in a JV vehicle called Greenwich Millennium Village Ltd (GMVL).
- 1.2. GLAP has been involved in the residential-led mixed use project since 2012. Its role has been to deliver in conjunction with GMVL the 2012 masterplan of 1,746 homes (20 per cent affordable) with ancillary commercial space, and associated landscaping (planning ref. 12/ 0022/0).
- 1.3. Phases 1 to 3 of GMV are complete, and part of phase 4 is under construction. Phase 5 (0.9 ha) is a windfall site because the homes consented in the 2012 masterplan for GMV have reserved matters consent to be delivered across phases 1 to 4. Only 285 homes (all private) in three blocks (Blocks 402, 404 & 405) are yet to be started in phase 4. This creates a total of 1,746 homes in the 2012 masterplan planning consent. Plots 501 to 503 ('phase 5') form part of the wider GMV site.
- 1.4. The masterplan (at Appendix 1) gives an overview of which blocks have been delivered, with supporting detail of the tenure mix.
- 1.5. As the remaining homes, all with reserved matters planning consent, can be built in Phase 4 (the penultimate phase), there is an opportunity to deliver more homes (including more affordable homes) at the windfall site in Phase 5 subject to:
 - agreement between GLAP and GMVL around changes to the existing Agreement for Lease (AFL)
 - planning consent from the Royal Borough of Greenwich ('RBG') for the new phase
 - grant funding from the GLA's 2021-26 Affordable Homes Programme, for a start by March 2026.

Deal structure: existing

- 1.6. Under a July 2007 AFL (as amended) for phases 3, 4 and 5, GLAP (as landowner) grants a long leasehold interest to GMVL for the development plots. The AFL provides commercial terms for the disposal of plots, including the calculation for the consideration of land value. These provisions, together with proposed changes are detailed in part 2 of this paper.

Phase 5 proposal

- 1.7. The 2012 masterplan envisaged three blocks in Phase 5. Block 503 is a non-residential building with retail (660 sq. m.) at ground level, with offices (4,310 sq. m.) above. Blocks 501 and 502 are both residential. The 2012 masterplan was originally designed for the Block 503 to act as an environmental buffer to the protected wharf to the east.
- 1.8. Some form of noise attenuation buffer is to be retained (in the redesign of Phase 5) but not by offices. This is due to the lack of market interest for them in this setting, demonstrated by extensive GMVL marketing.

2. Objectives and expected outcomes

- 2.1. This is an opportunity to increase both the number and percentage of affordable homes in the development.
- 2.2. The core objectives are to:
 - improve the commercial terms in the Deed of Variation (DoV) to the AfL, to enhance project viability and expected returns to GLAP
 - optimise development of the windfall site with regards to land use and density
 - increase the level of affordable housing in Phase 5, beyond the current masterplan level of 20 per cent by unit.
- 2.3. Feasibility design proposals have been prepared for Phase 5. These are expected to deliver approximately 250 homes (additional to the 2012 masterplan), of which no less than 40 per cent will be affordable, and some ancillary commercial space. This affordable housing scheme is facilitated by GLAP's Portfolio Approach for Affordable Housing, which is in place across a portfolio of sites.
- 2.4. GLAP's Portfolio Approach was agreed by the Deputy Mayor for Planning, Regeneration and the Fire Services on 25 July 2024. He wrote: *This letter constitutes the agreement for the purposes of the London Plan and the Mayor's SPG [Affordable Housing and Viability Supplementary Planning Guidance] that residential development proposals within GLAP's portfolio over the coming years can be considered under the Fast Track Route, provided that at least 35 per cent affordable housing is proposed on each site at the required tenure split, and that an average of 50 per cent affordable housing is provided across the portfolio.*¹
- 2.5. The delivery of 40 per cent affordable is dependent on affordable housing grant funding, under the GLA's Affordable Homes Programme 2021-26. GMVL must begin construction by 31 March 2026 to be eligible for this funding.
- 2.6. GLAP has taken commercial advice from JLL to assess the viability of project proposals and, in turn, to support in negotiating commercial terms of the proposed DoV to the AfL.
- 2.7. GLAP will enter into a DoV to the AfL. This will secure the improved commercial terms for GLAP, and establish a minimum percentage for affordable housing delivery, enabling the delivery of Phase 5.

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 the unlawful discrimination, harassment and victimisation, and to advance the 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 Mayor wants all Londoners to have a good-quality home that they can afford. Across RBC, 31 per cent of households in 2020 had incomes under £25,000; this is an indicator of households in relative poverty. However, RBC's median household income (£37,220) is slightly higher than London's
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(£35,800).² Despite this, RBG has approximately 25,000 households on its housing waiting list.³ Providing more homes, particularly affordable homes, will assist with the delivery of housing supply for RBG.

- 3.3. The recommendations set out in this paper will enable (subject to planning consent) approximately 250 more homes to be built in the final phase. At least 40 percent of these will be affordable, and are therefore expected to have a positive outcome for the community as they will allow more people to access the affordable homes they need. This is particularly important for this area as Greenwich Peninsula (where GMV is located) was ranked as one of the most deprived parts of RBG in terms of barriers to housing and services. This ranking measures the physical and financial accessibility of housing and local services, including housing affordability.⁴
- 3.4. It is therefore expected that growing the housing supply (particularly affordable housing) will have a positive impact. It is also expected to address problems such as overcrowding and homelessness – evidence suggest these disproportionately affect specific groups, including Black and Minority Ethnic groups and women.

4. Other considerations

Key risks and issues

- 4.1. The key risks that have been identified, and the strategies undertaken to mitigate them, are detailed below:

Key risk	Mitigation strategy
GMVL cannot start construction of Phase 5 by 31 March 2026 (and therefore cannot secure affordable housing grant funding in the current Affordable Homes Programme). This results in an unviable development at 40 per cent affordable housing.	• Work closely with GMVL to enable start on site, as defined under GLA's Capital Funding Guide. • Early stakeholder engagement. • Provisions in the varied AfL address the grant being subsequently unavailable.
The full planning application is refused, and the development reverts to the outline 2012 masterplan.	• Continued early engagement and pre-application meetings with RBG. • Community engagement with residents and interested stakeholders. • Provisions in the varied AfL allow GMVL to proceed with the 2012 masterplan.
Lack of interest from registered providers in acquiring the affordable housing in Phase 5.	• Early market engagement with registered providers and GLA investment partners under the GLA's Affordable Homes Programme 2021-26.

[Link to Mayoral strategies and priorities](#)

¹ GLA, [Letter from Jules Pipe, Deputy Mayor for Planning, Regeneration and the Fire Services, to Tom Copley, Deputy Mayor for Housing and Residential Development](#), 25 July 2024

² RBG, [Ward Profile 2020](#)

³ RBG, [Why we're building](#)

⁴ Department for Levelling Up, Housing and Communities, [English indices of deprivation](#), 2019

- 4.2. The proposal aligns with the London Housing Strategy to tackle the capital's housing crisis and priorities in the London Plan to increase the housing supply in London, including affordable housing.
- 4.3. The proposal for GMV Phase 5 will result in more housing (with a higher proportion of it being affordable) in an economically deprived area of London.
- 4.4. The new homes in Phase 5 will be in keeping with a new masterplan. This will be publicly consulted on (and delivered by) a developer recognised for quality homes and creating sustainable places by a series of design awards for GMV.

Conflicts of interest

- 4.5. There are no known conflicts of interest for those involved in the drafting and clearance of this decision form.

5. Financial comments

- 5.1. Finance comments have been provided in Part 2.

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):
- 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. 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. Section 1 of this MD indicates that the decision sought from the Mayor falls within the GLA's statutory powers.

7. Planned delivery approach and next steps

- 7.1. The outline timetable is as follows:

Activity	Timeline
Contract DoV for AfL of GMV phase 5	End of December 2024
Drawdown of land and start on site	March 2026
Completion of GMV phase 5	June to September 2028
Completion of GMV project	2031

Appendices and supporting papers:

Appendix 1 - GMV masterplan (with accommodation schedule)

Appendix 2 - Plot plan for GMV phase 5

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.

Part 1 - Deferral

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

If YES, for what reason: to preserve commercial confidentiality during contract negotiations with GMVL.

Until what date: 1 January 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:

Christopher Broster 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 23 September 2024.

INTERIM CHIEF FINANCE OFFICER:

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

Signature:



Date:

24 September 2024

CHIEF OF STAFF:

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

Signature:



Date:

24 September 2024

