

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD2488

### Title: East Bank – Power Lines Underground Asset Protection Agreements

#### Executive Summary:

The London Legacy Development Corporation (LLDC) seeks consent from the Mayor of London to enter into Asset Protection Agreements (APAs) with UK Power Networks (UKPN) and National Grid (NG) for their Power Line Underground (PLUG) Tunnels. The two PLUG tunnels run underneath the Stratford Waterfront Site at East Bank and the agreements must be entered into to enable the pilling works to commence.

Mayoral consent is required under section 4.7 of the LLDC Governance Direction as entering into this agreement will create contingent liabilities.

#### Decision:

To approve that LLDC proceed to:

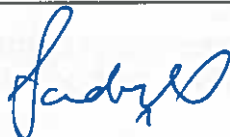
Enter into APAs with UKPN and National Grid to enable pilling works to commence on the Stratford Waterfront Site at East Bank, noting the indemnities to be provided by LLDC in favour of UKPN and NG under such APAs (as described in Part 2 of this form).

#### 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:

24/5/19

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

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

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

- 1.1 LLDC has been working closely with the Mayor of London, the Government, University College London (UCL), the Victoria & Albert Museum (V&A), University of the Arts London (UAL), Sadler's Wells and the BBC to develop the East Bank project. The project will bring together world-leading culture and university institutions to create a new powerhouse of culture, education, innovation and growth, and an inspirational centrepiece to drive aspiration and opportunity for the people of east London and beyond.
- 1.2 Mayoral consents for the project include: approval for the memorandum of understanding (MOU) between the GLA and the Department for Communities and Local Government approved under MD1422; consent to LLDC to enter into a revised Agreement for Lease with UCL for their sites at East Bank in February 2018 (under MD2234 and previous consent MD1473); consent to enter into revised Agreements for Lease with UAL, Sadler's Wells and the V&A for sites on the Stratford Waterfront site in February 2018 (under MD2234 and previous consent MD1643); Mayoral consent to enter into an Agreement for Lease, Lease, Development Agreement, Deed of Covenant, and Loan Agreement with the BBC in December 2018 (under MD2399).
- 1.3 The Mayor of London announced his vision for East Bank in June 2018, following Government approval of the East Bank Full Business Case. Following the announcement, LLDC commenced the procurement and construction of four cultural and educational buildings at Stratford Waterfront for UAL, BBC, Sadler's Wells and the V&A.
- 1.4 Before LLDC can commence piling on the Stratford Waterfront site, it needs to enter into Asset Protection Agreements (APAs) with UK Power Networks (UKPN) and National Grid (NG) who operate two tunnels ('the assets') which run underneath Queen Elizabeth Olympic Park (QEOP). The tunnels house powerlines which were buried underground as part of the Powerlines Underground (PLUG) project in preparation for hosting the London 2012 Olympic and Paralympic Games. The PLUG project was one of the most complex engineering and tunnelling projects undertaken in Europe at the time. The PLUG tunnels run through the southern part of the Stratford Waterfront site under the UAL, BBC and Sadler's Wells buildings.
- 1.5 By entering into the APAs, LLDC is providing assurance to the statutory bodies that the development at Stratford Waterfront will not cause them any loss arising from damage to the tunnels and interruption of service, and if it were to, LLDC would be responsible for the cost of rectifying any damage to the assets. The two APAs require different indemnities from LLDC which are set out in Part 2 of this Form.

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

- 2.1 The objective of entering into the APAs is to facilitate the commencement of construction at Stratford Waterfront for the East Bank project, and the Decision is required because it potentially creates contingent liabilities as a consequence of the terms of the APA.
- 2.2 Delivering East Bank supports LLDC's delivery of a meaningful and sustainable legacy from the London 2012 Olympic and Paralympic Games by creating a brand-new destination for London with world-class culture and education at its heart. East Bank will be an exciting new district of London, providing a unique offer to residents and visitors. East Bank will support wider economic growth, greater access to education provision, as well as new skills and employment opportunities, generated by a strong visitor economy and an innovative learning and research location for inward investors.

**2.3 East Bank supports a range of priorities including:**

- Economic growth;
- Enhanced education and skills levels;
- Sustainable local jobs;
- Raising local aspirations;
- Supporting the delivery of a successful and accessible Park; and
- Helping to redefine Stratford's place in London's economy, as a new heart for east London.

**3. Equality comments**

- 3.1** LLDC's priority theme of championing equalities and inclusion was taken into account in the development of the proposition for the East Bank, in consultation with all the project partners. LLDC will ensure that equalities, access and sustainability considerations are applied to procurement, employment, participation and inclusive design as required throughout the project.
- 3.2** LLDC is a public body with a responsibility to promote equality, tackle discrimination and promote good relations between different groups of people with protected characteristics. LLDC undertook a strategic equality impact assessment on its renewed priorities, including its emerging five-year organisational strategy and the East Bank plans. As part of this process, LLDC consulted with equality groups and tested whether its approach is helping to promote its equality priorities. The outcomes of the strategic equality impact assessment in relation to the East Bank have been used to inform the planning process and public consultations. It is anticipated that there will be no adverse impact on equalities issues and any protected characteristic groups.

**4. Other considerations**

*a) Key risks and issues*

- 4.1** There is a risk of damaging the PLUG tunnels during the construction works on Stratford Waterfront. However, a full tunnel impact assessment (TIA) undertaken by the designer Buro Happold assesses this risk to be low. In addition, secondary Category 3 structural checks will be completed on the designs' heaviest loaded areas (A CAT 3 check is an independent review of the final detail design drawings and functional specification).
- 4.2** There is a risk that delays to entering into these APAs will delay the critical path piling works as programmed with consequential delays to the construction programme and opening.
- 4.3** Further detail about risks and issues is contained in Part 2 of this Form.

*b) Links to Mayoral strategies and priorities*

- 4.4** This proposal, through enabling the timely and successful delivery of East Bank will support the Mayor's priorities:
- A cleaner, greener London – by providing a building which promotes positive environmental outcomes throughout the design, construction and operational lifecycle;
  - Making the most of arts, culture and creativity - by providing high quality and accessible public realm spaces for local people and visitors to enjoy, as well as providing world-class cultural programmes both inside and outside the buildings;

- A fairer and more equal city – through expanding access and participation, and through partnership programmes which deliver equality of opportunity, best practice in inclusive design and accessibility, and support for under-represented groups to work, to gain skills and to access opportunities; and
- Business, prosperity and opportunity – by developing skills and supporting businesses.

#### *c) Assessment and consultations*

- 4.5 An economic impact assessment was undertaken as part of the Full Business Case submitted to the Government. It showed that the East Bank project overall will generate 1,500 jobs, £1.5 billion of economic benefit for the local economy and 1.5 million additional visitors.
- 4.6 Public and pre-application consultations gave both statutory and non-statutory consultees, including the local community, an opportunity to express their opinions on the proposed development before the planning application is submitted, thus ensuring significant issues can be considered as part of the design and planning application process. Over 7,000 people have engaged with the project through more than 70 events including neighbourhood pop-ups, public exhibitions and workshops, with feedback from the public shaping future plans.
- 4.7 The LLDC consulted GLA officers to confirm if Mayoral consent is required under the LLDC Governance Direction 2013 for it to enter into the APAs. GLA officers confirmed it was required.
- 4.8 LLDC's Executive Management Team (EMT) approved the corporation entering into the APAs with UKPN and NG at their meeting on 17 June 2019, noting that this was subject to Mayoral consent being received.

### **5. Financial comments**

- 5.1 The APAs require LLDC to have minimum insurance in place to cover costs that could potentially arise to rectify any damage to the tunnels during the piling works and/or any consequential losses. LLDC has confirmed that it has the required insurance cover in place and will only incur minor expenses within existing budgetary provision to put the required agreements in place, and in allowing the Corporation to proceed this would not increase GLA financial support for LLDC. LLDC would retain risk if any claims were not covered by insurance or could not be passed down to the relevant contractor or designer. However, although LLDC regards the risk of damage occurring as low this is a contingent liability. As the agreements have a 12-year liability limit for contractual claims, this liability would fall directly to the GLA if LLDC is wound up before this expired and could not be passed on to a successor body.

### **6. Legal comments**

- 6.1 Officers should note the terms and conditions of the APAs and refer to the legal advice which has been provided to LLDC (and shared with the GLA) on such terms and conditions and the consequences if there is any damage to NG's or UKPN's property or interruption to their services.

### **7. Planned delivery approach and next steps**

<b>Activity</b>	<b>Timeline</b>
Stratford Waterfront Planning application approved	May 2019
Substructure mobilisation on site	13 June 2019
Piling works commence	28 June 2019
Stratford Waterfront buildings operational	2022 onwards

**Public access to information**

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) 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 approval or on the defer date.

**Part 1 Deferral:**

**Is the publication of Part 1 of this approval to be deferred? No**

If YES, for what reason:

Until what date: (a date is required if deferring) -

**Part 2 Confidentiality:** Only the facts or advice considered to be exempt from disclosure under the FOI Act should be 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:**

Michelle Reeves has drafted this report in accordance with GLA procedures and confirms the following:

✓

**Sponsoring Director:**

Martin Clarke has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

**Mayoral Adviser:**

David Bellamy been consulted about the proposal and agrees the recommendations.

✓

**Advice:**

The Finance and Legal teams have commented on this proposal.

✓

**Corporate Investment Board**

This decision was agreed by the Corporate Investment Board on the 24 June 2019

**EXECUTIVE DIRECTOR, RESOURCES:**

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

Signature

Date

TOM MIDDLETON ON BEHALF OF MARTIN CLARKE

24-06-19

**CHIEF OF STAFF:**

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

Signature

Date

D. Bellamy

24 / 6 / 2019.

