

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2284

Charles Street Acquisitions

Executive Summary:

The development at Silvertown Quays is a regeneration scheme within the Royal Docks that will deliver 7.2 million square feet of employment-led development, including up to 3,000 new homes and 20,000 jobs. It is a major site for the Royal Docks and for the Enterprise Zone. The investment proposed in this paper is critical to ensuring the redevelopment is achieved.

The Master Development Agreement between the GLA and The Silvertown Partnership obliges the GLA to complete the land assembly of the site to ensure the redevelopment is possible. There is an opportunity for GLA Land and Property Limited (GLAP) to acquire the remaining two long leasehold interests and a number of shorter interests located near Charles Street in the south-eastern part of the site. The GLA and its agent, GL Hearn, are in the process of agreeing terms for the surrender of the remaining interests. This DD seeks approval for the expenditure to acquire these interests.

Decision:

That the Executive Director of Housing and Land approves the use of the Affordable Homes Programme (MD2282) to fund the purchase by GLA Land and Property Ltd of the leasehold interests detailed in Part 2 at Charles Street, Silvertown Quays materially on the terms set out in Part 2 of this Director's Decision.

AUTHORISING DIRECTOR

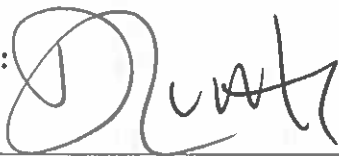
I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: David Lunts

Position: Executive Director of Housing and Land

Signature:



Date: 24/10/18

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 GLA Land and Property Limited (GLAP) entered into a Master Development Agreement with The Silvertown Partnership (TSP) on 7th June 2013 (the MDA) to deliver the redevelopment of the Silvertown Quays (SQ) site within the Royal Docks. This followed an OJEU compliant bidding process that commenced at the London Development Agency and was concluded by the GLA. There has been a recent corporate restructure of TSP with Lendlease and Starwood now the controlling parties. Lendlease are the development managers and are making progress towards implementing the extant planning consent for the site.
- 1.2 The Silvertown Quays project is of major importance for the regeneration of the Royal Docks and for the investment strategy of the Enterprise Zone given the business rates it is capable of producing. The redevelopment requires the vacant possession of the site. The GLA therefore needs to secure the relocation of existing users from the land.
- 1.3 The SQ site has two historic and extant long leasehold interests near Charles Street within the site, which are plot 12 (437 North Woolwich Road) with Oak Viking Limited (Oak Viking) and plot 4 (Charles Street) with Drum Group Limited (Drum). There are also additional shorter leasehold interests that need to be regularised.
- 1.4 The acquisition of the Oak Viking and Drum interests is essential in order to secure vacant possession of the site and enable the redevelopment to occur.
- 1.5 This purchased will be financed through the Affordable Homes Programme (MD2282). As set out in paragraph 1.14 of MD2282 this project requires a bespoke agreement and therefore a Director's Decision is required.

2. Objectives and expected outcomes

- 2.1 Redevelopment of the entire site requires the acquisition of the remaining historic leasehold interests at Charles Street (please see Appendix 2 – lease plan). The GLA and its agent, GL Hearn, are in the process of agreeing the terms of the surrender of the leasehold interests as set out in Part 2 of this paper.
- 2.2 The acquisition of the Charles Street leasehold interests will ensure that delivery of the 3,000 homes and 20,000 new jobs across the wider SQ site will not be held up by the site being occupied. This will make a significant contribution to the Mayor's commitment to start building 116,000 affordable homes by 2022.

3. Equality comments

- 3.1 Under section 149 of the Equality Act 2010, as public authorities, the Mayor and the GLA are subject to a public-sector equality duty and must have 'due regard' to the need to (i) eliminate unlawful discrimination, harassment and victimisation; (ii) advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and (iii) foster good relations between people who share a relevant protected characteristic and those who do not. Protected characteristics under section 149 of the Equality Act are age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status.
- 3.2 Throughout the decision-making process relating to the land assembly proposed, due regard has been had to the 'three needs' outlined above. The housing shortage in London disproportionately negatively affects people with certain protected characteristics. Increasing the supply of housing, and in particular affordable housing will help to achieve positive impacts in line with the 'three needs'.

4. Financial comments

This decision is seeking approval for the surrender of leases at SQ to enable a comprehensive development of the site. Financial details of the transaction are included in part 2.

5. 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 which he considers will further one or more of the principal purposes of the GLA as set out in section 30(2) which are:

- i. Promoting economic development and wealth creation in Greater London;
- ii. Promoting social development in Greater London; and
- iii. Promoting the improvement of the environment in Greater London

and, 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 United Kingdom and contribute towards the mitigation of or adaptation to climate change in the United Kingdom; and
- consult with appropriate bodies.

6.2 In exercising the power contained in section 30(1) of the GLA Act, the GLA must have regard to the matters set out in sections 30(3-5) and 33 of the GLA Act, and also the Public Sector Equality Duty in section 149 of the Equality Act 2010 as set out above in section 4.

6.3 Sections 1-4 of this report indicate that the decision requested of the Mayor is within the GLA's statutory powers.

Appendices and supporting papers:

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? YES**

If YES, for what reason: the paper includes proposals for acquiring land and the GLA requires time to complete those transactions without publication fettering its ability to secure best value.

Until what date: 30.09.2019

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:

Paul Creed has drafted this report in accordance with GLA procedures and confirms that:

✓

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.

✓

Corporate Investment Board:

The Corporate Investment Board reviewed this proposal on (insert date)

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. D. [Signature]

Date

23.10.18