

GREATER **LONDON** AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2552

Title: Carpenters Land Bridge agreements

Executive Summary:

London Legacy Development Corporation (LLDC) is required to construct the Carpenters Land Bridge (CLB), a footbridge connecting Stratford Waterfront with the International Quarter as a condition of the Stratford Waterfront planning permission. It will be entering into legal agreements (an Overbridge Agreement, four Leases, DLR Deed of Easement, a Deed of Easement and Covenant, and a Commercial Agreement) with landowners in the vicinity of the bridge to facilitate the delivery of the bridge.

Mayoral consent is required under section 4.6 of the LLDC Governance Direction as entering into these agreements will create contingent liabilities.

Decision:

That the Mayor approves that LLDC enter into the legal agreements (an Overbridge Agreement, four Leases, DLR Deed of Easement, a Deed of Easement and Covenant, and a Commercial Agreement) with landowners in the vicinity of the bridge to facilitate the delivery of the Carpenters Land Bridge.

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:

21/2/19

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, 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. The Mayor of London announced his vision for East Bank in June 2018, following the Government's 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.
- 1.3. 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 and 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 and Leases 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); Mayoral consent to establish the Stratford Waterfront Management Company (SWMC) and consent to grant a lease to the SWMC (under MD1477); and Mayoral consent to enter into the Power Lines Underground Asset Protection Agreements at Stratford Waterfront (under MD2488).
- 1.4. Planning permission for Stratford Waterfront was granted in July 2019. LLDC is required to construct the Carpenters Land Bridge (CLB) to connect Stratford Waterfront with the International Quarter (IQL) as a condition of the Stratford Waterfront planning permission.
- 1.5. On the Stratford Waterfront side, the bridge will sit on land which forms part of the UAL demise (the Agreement for Lease and Lease for which received consent under MD2234). It will span Carpenters Road and several railway lines and land on IQL land.
- 1.6. LLDC will be entering into an Overbridge Agreement, four Leases, DLR Deed of Easement, a Deed of Easement and Covenant and Commercial Agreement with landowners in the vicinity of the bridge to facilitate the delivery of the bridge. The landowners are:
 - Network Rail Infrastructure Limited (NR), the freehold owner of a railway line above which, and airspace through which, CLB will pass;
 - Docklands Light Railway Limited (DLR) the leasehold owner of a railway line above which CLB will pass (and the beneficiary of various covenants restricting development above the railway);
 - Stratford City Business District Limited (SCBD) the freehold owner of property upon which CLB will land (on the IQL side of CLB) and airspace through which CLB will pass; and
 - IQL Estate Management Company Limited (IQL Estate Manco) and IQL Commercial Estate Management Company Limited ("IQL Commercial Estate Manco") have both taken leases from SCBD of part of SCBD's property, upon which CLB will land and airspace through which CLB will pass.

1.7. The agreements are:

- the Overbridge Agreement to be entered into between the parties which deals with the arrangements for construction of the bridge, in particular setting out the requirements of NR and DLR;
- four leases to be granted by each of NR, SCBD, IQL Estate Manco and IQL Commercial Estate Manco to LLDC. The leases between them demise the area outside LLDC's ownership within which the bridge will sit and include LLDC's obligations in relation to the bridge after construction;
- the DLR Deed of Covenant to be entered into between LLDC and DLR. As DLR only owns land below the bridge it is not a party to a lease, and this document gives them similar protections to those the landlords have under the four leases;
- the Deed of Easement and Covenant to be entered into between the parties. This gives various landowners rights over each other's land for the purpose of inspection, repair and removal of the bridge; and
- the Commercial Agreement between NR and LLDC. This deals with determination of the premium to be paid to NR for the NR Lease.

1.8. In addition, LLDC has entered into a Development Agreement with SCBD and IQL Estate Manco and IQL Commercial Estate Manco which deals with the arrangements for the carrying out of enabling works and construction of the bridge in particular setting out the requirements of SCBD/IQL.

1.9. By entering into the agreements, LLDC is providing indemnities in favour of the parties under the agreements. Further information is set out in the Part 2 form. Mayoral consent is required under section 4.6 of the LLDC Governance Direction as entering into these agreements will create contingent liabilities which might fall to the GLA, if and when, the Legacy Corporation is wound up. Further information on how these indemnities are mitigated are set out in the risk section.

2. Objectives and expected outcomes

2.1. The outcome of signing the agreements will be the discharge of one of the conditions of the Stratford Waterfront planning permission, i.e. to connect Stratford Waterfront with the International Quarter. Stratford Waterfront forms part of the East Bank project.

2.2. Delivering East Bank supports LLDC's ability to deliver 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 under the Equality Act 2010 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. LLDC have considered likely potential impacts of the bridge installation and conclude there should be no adverse impact on equalities issues and any protected characteristic groups. The GLA have considered their Equality Act responsibilities and consider there are no adverse impacts.

4. Other considerations

a) Key risks and issues

- 4.1. There is a risk that the railway lines could be damaged during the bridge installation and LLDC will be liable for any damage and any resulting loss of income to NR and DLR if there is a delay to the reopening of the railway lines. LLDC has insurance in place to mitigate this and there is a gateway approach to the installation of the bridge to reduce the risk of a late hand back.
- 4.2. LLDC is taking on the prime contracting liability risks as the developer. LLDC has insurance in place to mitigate this.
- 4.3. There is a risk that delays to entering into the agreements will delay the bridge installation with consequential delays to the construction programme and opening.
- 4.4. The ongoing maintenance of the bridge following construction will be undertaken by LLDC as part of the wider maintenance of the Park as per the other bridges. It is accounted for in future operational budgets.
- 4.5. Further details about risks and issues are contained in Part 2 of this form.

b) Links to Mayoral strategies and priorities

- 4.6. 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) Impact assessment and consultations

- 4.7. 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.
- 4.8. 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 was submitted, thus ensuring significant issues could 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.

5. Financial comments

- 5.1. There is no direct cost to the GLA from LLDC entering into the legal agreements to facilitate the delivery of the Carpenters Land Bridge. However, as its principal funder the GLA is exposed to LLDC's contracting risk or any costs or losses that might arise that could not be defrayed through LLDC's insurance cover or passed to third parties. Additional comments are included in Part 2 of this decision.

6. Legal comments

- 6.1. The Localism Act 2011 requires that the Mayor's consent is obtained by a Mayoral Development Corporation (an MDC of which LLDC is one) in certain specified circumstances. Under section 220 of the Localism Act 2011 the Mayor may give an MDC general or specific directions as to the exercise of its functions and the Governance Direction 2019 is such a direction. The relevant requirements of the Governance Direction 2019 are set out above. As described in the related Part 2 paper, LLDC has taken detailed legal advice on proposed transactions, and the agreements are based on Network Rail and DLR standard terms for these types of arrangements.
- 6.2. It is considered that the Mayor's consent would be consistent with LLDC's statutory regeneration objectives.

7. Planned delivery approach and next steps

Activity	Timeline
LLDC Board approval to enter into the agreements	19 November 2019
Undertake enabling works	November 2019
Mayoral consent received	Early December 2019
Complete and execute the Agreements	Early December 2019
Installation preparation works	December 2019
Scheduled bridge install (during planned rail possession/shutdown)	25 December 2019

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 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: Until after completion and execution of the legal agreements.

Until what date: 31 December 2019

Part 2 - Sensitive information

Only the facts or advice that would be exempt from disclosure under 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:

Jamie Dean has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

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

✓

Mayoral Adviser:

David Bellamy has 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 2 December 2019.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. D. Bellamy

Date

2.12.19

CHIEF OF STAFF:

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

Signature

D. Bellamy

Date

2/12/2019.