

GREATER **LONDON** AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2277

Beam Park – Increased affordable housing

Executive Summary:

Beam Park is a 29ha, former industrial site in Dagenham and is owned by GLA Land & Property Limited (GLAP). In April 2016, MD1664 approved the appointment of Countryside Properties (UK) Limited as the preferred developer alongside L&Q. The Development Agreement was signed in 2017 and a planning application for 2,900 homes has been recently submitted. The original procurement, the Development Agreement and the planning application all assume 35% affordable housing.

This MD seeks approval to increase the affordable housing to be included in the project to reflect the Mayor's aim of securing 50% genuinely affordable housing on public sector sites and for an associated adjustment to the contractual terms with Countryside and L&Q.

Decision:

The Mayor is asked to approve:

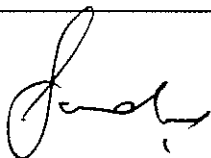
1. GLA Land and Property entering into a deed of variation to the Development Agreement with Countryside and L&Q materially on the terms set out in this paper; and
2. GLA Land and Property Ltd entering the associated documentation listed at section 1 to facilitate the delivery of the scheme as anticipated in this Mayoral Decision and as set out in MD1664

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:

23/4/18

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

Decision required – supporting report

1. Introduction and background

- 1.1 In July 2014, MD1365 agreed a package of due diligence prior to advertising the sale of the Beam Park site through the London Development Panel (LDP). Subsequently, following a competitive process, MD1664 (April 2016) approved the appointment of Countryside as the preferred developer for the Beam Park scheme, in partnership with L&Q.
- 1.2 From appointment of Countryside as development partner, GLAP worked with Countryside and L&Q to finalise the Development Agreement (DA) which was signed in August 2017.
- 1.3 Alongside finalising the DA, the teams worked together to agree the submission of the planning application for nearly 3,000 new homes, together with ancillary services, community facilities and infrastructure. As the site crosses the borough boundary the application was submitted to both LB Havering and LB Barking & Dagenham following extensive pre-application discussion, in August 2017.
- 1.4 The original procurement sought financial offers based on a series of assumptions and development obligations. This included the delivery of affordable housing at 35%. Following the publication of the current Mayor's new Affordable Housing and Viability Supplementary Planning Guidance (SPG) and the subsequent new draft London Plan there is an expectation that public land will support higher levels of affordable housing. The SPG sets a 50% level for referable schemes in order to qualify for a 'fast track' approach for planning purposes.
- 1.5 GLA officers have been discussing the opportunity to increase the affordable housing component at Beam Park with Countryside, L&Q, LB Barking & Dagenham and LB Havering. These discussions have successfully led to an agreement with Countryside and L&Q to increase the level of affordable housing delivery at the scheme to 50%.
- 1.6 In order to keep within the delivery milestone requirements of the original DA and ensure that the site proceeds at pace, this MD seeks approval to vary the DA to require 50% affordable homes along with some additional consequential changes to reflect the revised commercial terms necessary to support this new approach. The details of these changes are set out in Part 2.

Additional Agreements

- 1.7 To facilitate the delivery of the scheme generally (unconnected to the deed of variation) it is necessary for GLAP to enter into a number of additional agreements, connected to the DA, for which approval is sought, as the follows:
 - S.106 Agreement – A planning agreement that GLAP are required to enter into as freeholder, with Countryside, L&Q, LBBB and LBH. This document will enshrine the usual range of obligations imposed on the developer by the planning authority as part of the planning permission including financial contributions, provisions relating to the delivery of the two schools and new health centre, public transport, and accessibility measures including for the new station;
 - Station Agreement – with Countryside and Network Rail to allow for the construction of the station building and platforms;
 - Land Transfers – GLAP will be required to transfer a small area of its freehold at the site to NR to facilitate the construction of the station;
 - Schools Agreement – to dispose of a long leasehold of land to Countryside and the Education Funding Agency to allow for the construction of two new schools (it may also be necessary for the local authorities to be party) and

- Ancillary Documents - GLAP is also likely to be required to enter into ancillary documents to those outlined above, for example, Deeds of Indemnity from Countryside and Licences for access to land to construct the station and schools.

2. Objectives and expected outcomes

2.1 The key objectives in this matter are:

- To maintain the programme for the start of housing construction in mid-2018 (subject to planning).
- To increase the level of genuinely affordable housing on Beam Park from 35% to 50%.

2.2 The affordable housing will comprise 20% London Affordable Rent, 25% London Living Rent and 55% London Shared Ownership, subject to S106 agreement.

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 approvals sought in this paper to facilitate this significant housing development moving forward to delivery, 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'.
- 3.3 The proposed changes to the project are expected to have a positive impact on those with protected characteristics by providing a larger number and a greater range of housing products which will generally improve access to housing across different economic and social groups.

4. Other considerations

- 4.1 The proposed changes will bring the Beam Park project in line with the new Supplementary Planning Guidance, the draft Housing Strategy and the draft London Plan.

5. Finance Comments

- 5.1 The decision is seeking approval to revise the level of affordable housing from 35% as stated in MD1664 to 50% affordable, in the Beam Park development of 3000 homes. The amendment will be done through a deed of variation.

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 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 3.

6.3 Sections 1-3 of this report indicate that the decision requested of the Mayor is within the GLA's statutory powers.

7. Planned delivery approach and next steps

Activity	Timeline
Mayoral Decision	April 2018
Deed of Variation to the Development Agreement signed	April 2018
Determination of the Planning Application by LBBD and LBH	April 2018
Determination of the Planning Application by the GLA	Mid 2018
Start on site of the first residential phase (subject to planning)	Mid 2018

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: to protect the GLA's commercial position prior to the signing of the Deed of Variation to the Development Agreement with Countryside.

Until what date: 30 June 2018

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 the following:

✓

Sponsoring Director:

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

✓

Mayoral Adviser:

James Murray 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 9 April 2018.

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

11. 4. 18

CHIEF OF STAFF:

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

Signature

D. Bellamy

Date

16 / 4 / 2018.

