

Boris Johnson
Mayor of London
City Hall
The Queens Walk
London SE1 2AA

26 April 2011

Dear Mayor,

The Assembly response to the proposals by the Mayor for the creation of a Mayoral Development Corporation (MDC) to cover the Olympic Park and surrounding areas.

The Assembly welcomes the opportunity to respond to the Mayor's consultation on his proposals for the designation of a Mayoral development area and the creation of a Mayoral development corporation for the Olympic Park and surrounding area. Under Clause 168 (4) of the Localism Bill, the Assembly and each constituency member of the London Assembly whose Assembly constituency contains any part of the area must be consulted before the Mayor designates a Mayoral development area, or takes certain decisions relating to that area.

The Assembly supports the objectives of ensuring a sustainable legacy for the Olympic and Paralympic Games to deliver fundamental economic, social and environmental change within east London, and to close the deprivation gap between the Olympic host boroughs and the rest of London.

The Assembly recognises the role a Mayoral Development Corporation can play in meeting these objectives. A single entity with responsibilities for the major development functions in the Olympic Park and fringe areas will give certainty to potential investors and help stimulate and accelerate development which might otherwise take longer to achieve.

The Assembly is supportive of the Mayor's proposal¹ (Option 3) in the consultation document but subject to further clarification in the following areas: scope of the MDC, representation on the Board and Planning Committee, transparency and accountability.

The scope of the MDC

The proposed MDC must have a very tight set of objectives and be time limited so that there is a clear exit clause. This is to ensure transparency of purpose and to ensure a focus on rapid delivery by the MDC.

Alongside delivering physical and environmental regeneration the objective of the OLPC will be to promote and deliver social and economic regeneration. The Assembly supports this objective, though the Mayor should not be encroaching on matters that fall within the scope of other public bodies (such as health or education). The Assembly would want to see the Mayor recognise the lessons that can be learnt from the experiences of the London Docklands Development

¹ Option 3: Designate a Mayoral development area, and establish a Mayoral development corporation.

Corporation (LDDC) so that planning can begin at an early stage for how the MDC will take this objective forward.

Local Representation

The Assembly notes that there should be a programme of refreshing the Board over time. The Mayor will need to consider as a matter of some urgency what combination of skills and talent is appropriate as the MDC begins its work.

Elected local representation on both the MDC Board and the Planning Committee is necessary to ensure local support and confidence in the operations of the MDC. We would welcome clarity over the number of elected representatives from the boroughs on the MDC Board. Furthermore, while it is intended that there should be three elected politicians on the Planning Committee, we would welcome clarity on the size of the Committee so that it is clear what weight local views will have.

To further enhance the links between the MDC and local people, we would welcome support from the Mayor for the current Communities Committee to remain a standing committee of the MDC.

Transparency and accountability

As a new GLA functional body the MDC will be subject to Assembly scrutiny of policies, budgets and programmes. The Assembly will be able to call for people and papers and we would expect the same openness as other parts of the GLA with regard to the publication of spending and performance data. To support the transparency of this process we would welcome the publication of an annual business plan which can be presented to the Assembly for discussion and debate.

Furthermore the Assembly notes that the consultation document states that the MDC will “generate returns through the development of its assets, subject to the terms of any revised understanding on the overall use of receipts from those assets, and the Mayor would naturally expect that any share of such revenue returning to the Corporation would be ploughed back into its operations.” We would like some clarity on the use of capital receipts from these assets. A Memorandum of Understanding has previously been agreed regarding income from the Olympic site. However, the Memorandum does not indicate that any revenue will return to the MDC. So it is unclear where the revenue returning to the MDC will come from.

As stipulated in clause 168 (3) (d) of the Localism Bill, the Mayor should respond to these concerns in his final proposals.

Yours sincerely,



Dee Doocey AM

Chair of the London Assembly