

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD2102

### Thameside West – Preparing for development

#### Executive Summary:

GLA Land and Property Limited (GLAP) holds significant land interests on the north bank of the Thames, opposite Greenwich Peninsula in the London Borough Newham (LBN). This area is referred to as Thameside West (see Annex 1 for a full breakdown of the land holdings).

Within Thameside West, GLAP owns the freehold of the Thames Wharf site and has a share of the Carlsberg-Tetley site under a joint venture arrangement with Silvertown Homes Limited (previously Quintain).

Thameside West will be significantly affected by the recently confirmed Silvertown Tunnel works. This paper seeks Mayoral approval to undertake a number of work streams and the associated budget to minimise the negative impact of the delays and works resulting from the tunnel including:

- 1 - GLAP will seek to enter into an Agreement with TfL to secure efficient coordination of construction activity during construction and upon completion of the proposed Silvertown Tunnel thereby accelerating the point at which housing can be delivered on Thames Wharf. This will include securing supporting planning applications for the works to be carried out.
- 2 - GLAP will update the existing Carlsberg Tetley Joint Venture agreement so that an appropriate structure can be put in place that allows development to progress swiftly.

#### Decision:

The Mayor is asked to:

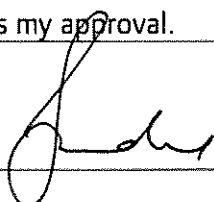
1. Approve that GLA Land and Property Limited enters into a Land & Works Agreement with TfL on materially the same terms set out in this Mayoral Decision (including Part 2) including that it will:
  - Set the level of compensation due to GLAP from TfL.
  - Agree to the permanent and leasehold disposal of land to TfL for the Silvertown Tunnel.
2. Approve that GLA Land and Property Limited enters into a deed of variation with Silvertown Homes Limited to amend the Joint Venture Agreement between London Development Agency and Quintain (No 8) Limited and Quintain Estates and Development PLC dated 17/10/2004 materially on the terms set out in part 2 of this Mayoral Decision.
3. Approve £1m GLAP funding to cover the cost of professional fees and river wall repairs, over a period of four years.

#### 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:

3/4/12

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

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

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

- 1.1 GLAP inherited its land interests in Thameside West from the London Development Agency (LDA) in 2012 and the land is currently leased to a series of tenants from which GLAP receives a rental income. In July 2014 MD1374 approved GLAP funding for the production of a master plan and delivery strategy for the site in partnership with the other major landowner, Quintain (now Silvertown Homes Limited – see Part 2). This work has been done and provides a good baseline for development aspirations on the site which occupies a strategically important location on the southern end of the Royal Docks and one of the largest undeveloped sites along the river Thames. Thameside West has the potential to deliver large scale residential development and GLAP has significant land holdings to enable and accelerate this.
- 1.2 The area has been subject to a general safeguarding direction for some years to allow for a potential new river crossing. This has now recently been confirmed via the Silvertown Tunnel Development Consent Order and there is a significant impact on the timing of the development of Thameside West as a result. However, GLAP has sought to minimise this impact by agreeing with TfL an approach to the Silvertown Tunnel construction works which also provides an opportunity to future proof redevelopment of the site by delivering a series of works whilst contractors are on site which will greatly reduce the overall time required for enabling works on the land owned by GLAP, the JV and Quintain/Keystone across Thameside West.
- 1.3 Development of new homes can only occur if the relevant planning policies affecting the site are revised and confirmed. There are consultation and review processes underway to facilitate this being undertaken by the GLA's planning team.

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

- 2.1 There is a series of constraints which influences the development potential of the site and which has been reflected in the evolution of the master plan:
- To the north-east – the elevated Silvertown Way is the site boundary and creates connection issues with the Royal Docks area which will need to be overcome.
  - To the south-east – adjacent third party ownerships and current industrial uses present boundary issues but their future use is subject to review as part of LBN's Core Strategy process.
  - To the south-west – the River Thames provides an excellent vista and means of transport but the site needs to improve its flood protection to meet Environment Agency standards.
  - To the north-west – the River Lea's confluence with the River Thames forms the north western edge of the site and any development will need to reflect the need for navigation on the Lea.
  - Below ground – the site includes the Jubilee Line tunnels, an old docks system culvert and the route of the Silvertown road tunnels and these provide clear constraints on development.
  - Above the site – the City Airport safety zone restricts building height and the Emirates Airline also runs through the site.
  - Through the site – the DLR line linking Woolwich Arsenal and Canning Town runs through the site and land has been reserved for a future station to serve the development.
- Impact of the Silvertown Tunnel and how to mitigate it
- 2.2 GLAP and TfL have been working together for some months to agree a suitable approach. Both parties are now close to reaching agreement on the opportunity to mitigate the impact of the tunnel and improve the site.
- 2.3 The Silvertown Tunnel will take 3.4ha of the site permanently and occupy a further 2.7ha during the course of the construction works. As a landowner, GLAP is entitled to compensation as a consequence of this impact and TfL has been discussing this with GLAP for some months. The proposal is to use the value of the land and agree a series of enabling works to future-proof the site

and accelerate the point at which it could be redeveloped to this value. The majority of these works would need to be undertaken regardless of the tunnel so it makes sense that TfL's contractor undertakes them whilst they are on site. The full extent of these works and the certainty of their delivery remain subject to further technical work, design development and procurement.

- 2.4 There are clear time and efficiency benefits and also potentially significant cost and emissions savings for the tunnel project if this approach is adopted. Further details on the proposed Land and Works Agreement are set out in part 2 of this paper.
- 2.5 In order for TfL to undertake the tunnel works GLAP will grant them an intermediate lease over the GLA land interests included within the DCO. In the immediate period of this lease TfL will take on landlord responsibilities for the existing GLAP tenants. Further details of this lease are set out in part 2 of this paper.

Further ongoing GLAP work to support the strategy.

- 2.6 The proposed works will also require planning consent from LBN and the approval of the Environment Agency, the Marine Management Organisation and the Port of London Authority. The Agreement with TfL will therefore be conditional on the requisite consents being secured and the DCO being confirmed by the Secretary of State.
- 2.7 This paper seeks that £1,000,000 be committed from existing budgets (£0.25m per annum from 17/18 for four years) to fund further professional fees to cover planning, design, engineering, property and legal costs associated with promoting residential redevelopment of the site. This budget also includes an allowance to cover emergency repairs to the river wall prior to the replacement by TfL.

Improvements to the existing Joint Venture Agreements with Keystone (previously Quintain)

- 2.7.1 GLAP's joint venture partner on the Carlsberg Tetley joint venture adjoining land is Keystone (previously Quintain – see Part 2) and they have shown a strong interest in investing and progressing a high quality residential-led scheme on the JV land (along with Keystone's separate site at Thames Wharf), which is broadly supported by GLAP. GLAP and Keystone have agreed to jointly enter into an agreement with TfL and both intend to maximise the use of the period before the tunnel opens (c2022) to consolidate interests, prepare for development and make appropriate investment as required.
- 2.8 The improvements sought to the existing 2004 joint venture agreement with Quintain/Keystone will seek to ensure that the JV functions smoothly and that there is collaboration between the JV, GLAP and Quintain/Keystone to ensure each party is able to develop its landholdings whilst ensuring the comprehensive redevelopment of the site in accordance with the agreed masterplan. Further information on the proposed changes to the joint venture agreement is set out in Part 2 to this paper.

### **3 Equality comments**

- 3.1 The public sector equality duty requires the identification and evaluation of the likely potential impacts, both positive and negative, of the decision on those with protected characteristics (age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation).
- 3.2 The nature of the decisions proposed in this MD are unlikely to have any significant impact on any of the equality groups covered by the Equality Act. Any potential redevelopment of the site may have potential impacts and they will be considered further as the delivery strategy is developed.

### **4 Financial comments**

- 4.1 See part 2 for Finance comments

## 5 Legal comments

5.1 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.

5.2 Sections 1 and 2 of this report Part 2, indicate that the Mayor has the power to proceed with the decisions as recommended in this paper.

## 6 Planned delivery approach and next steps

Activity	Timeline
Seek Mayoral Decision to approve actions	March 2017
Enter into Land & Works Agreement with TfL	March 2017
Enter into Joint Venture Agreement with Keystone Silvertown Ltd	March 2017
Enabling Works application to LB Newham	H1 2017

**Appendices and supporting papers: None**

**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:**

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 27 March 2017.

**EXECUTIVE DIRECTOR, RESOURCES:**

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

Signature

*M. D. Allen*

Date

*27.3.17*

**CHIEF OF STAFF:**

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

Signature

*D. Bellamy*

Date

*29/3/2017*

