

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD1459

Title: Establishment by the London Legacy Development Corporation of a charitable company to promote Olympicopolis

Executive Summary:

In December 2014, the plan for a culture and higher education quarter (Olympicopolis) on Queen Elizabeth Olympic Park (QEOP) was announced in the Government's National Infrastructure Plan, including £141m of Government funding, following the submission by the London Legacy Development Corporation ("Legacy Corporation" or "LLDC") of an Olympicopolis Outline Business Case to government. The Outline Business Case set out an additional philanthropic funding requirement, alongside Government, GLA and project partner support, to deliver the project. The Legacy Corporation propose, as part of the structures to deliver the fundraising element of the project, to set up a company that will become a new charity that will merge with The Legacy List, an existing charity established prior to the 2012 Games, with the object of promoting, for the benefit of the public, urban regeneration of areas of social or economic deprivation (in particular areas surrounding QEOP) and other charitable objectives that Olympicopolis is designed to deliver.

The Legacy Corporation seeks the Mayor's consent to the decision of its Board at its meeting on 29 January 2015, to form the company (a company limited by guarantee), as required by section 212(2) of the Localism Act 2011, which it is proposed will become the corporate vehicle for a new charity to promote the objectives that the culture and higher education quarter (Olympicopolis) is designed to deliver, and undertake fundraising activities in support of achieving its charitable objectives.

Decision:

That the Mayor:

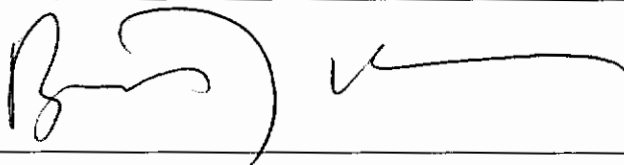
1. Consents, further to the LLDC Board's decision at its meeting on 29 January 2015, to the LLDC forming a company limited by guarantee (a body corporate), as required by Section 212(2) of the Localism Act 2011, which it is proposed will become the corporate vehicle for a new charity to promote the objectives which the culture and higher education quarter (Olympicopolis) on QEOP is designed to deliver, and undertake fundraising activities in support of achieving these objectives

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:

3.3.2015

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

Decision required – supporting report

1. Introduction and background

- 1.1 In December 2014, the plan for a culture and higher education quarter (Olympicopolis) at QEOP was announced as part of the Government's National Infrastructure Plan, with a commitment of £141m Government funding, following submission by the Legacy Corporation of an Olympicopolis Outline Business Case to government.
- 1.2 The Olympicopolis Outline Business Case set out an additional philanthropic funding requirement, alongside Government, GLA and project partner support, to deliver the culture and higher education quarter.
- 1.3 Olympicopolis will create a world class education and cultural district on QEOP, bringing together outstanding organisations to showcase art, dance, history, craft, science, technology and cutting edge design.
- 1.4 University College London (UCL) will create a new university campus to the south of the ArcelorMittal Orbit. The Stratford Waterfront site, opposite the London Aquatics Centre, will house new locations for the Victoria and Albert Museum, Sadler's Wells, the University of the Arts London and potentially other prestigious organisations, including the Smithsonian Institute. The project is expected to deliver 3,000 jobs, 1.5 million additional visitors and £2.8 billion of economic value to Stratford and the surrounding area.
- 1.6 As part of the structures to deliver the fundraising element of the Olympicopolis project, the Legacy Corporation has proposed to set up a company which will become a new charity to promote the objectives which the culture and higher education quarter (Olympicopolis) is designed to deliver, and undertake fundraising activities in support of achieving these objectives.
- 1.7 The Legacy Corporation's Investment Committee and Board, at their meetings on 14 and 29 January 2015, respectively, approved the setting up of such a corporate entity.
- 1.8 The Mayor's consent to the formation by LLDC of a corporate body is required under Section 212(2) of the Localism Act 2012.

2. Objectives and expected outcomes

- 2.1 The company, which it is proposed will become a new registered charity, would reflect the objectives of Olympicopolis: - the promotion of urban and rural regeneration; the advancement of education, arts and culture; and the provision of recreational facilities and other charitable objects to be delivered through Olympicopolis. It will also lead fundraising activities as a means of achieving its objectives.
- 2.2 The culture and higher education quarter (Olympicopolis) will be designed to ensure that future infrastructure investment on QEOP supports legacy priorities of physical, social and economic regeneration for east London, including:
 - Economic growth;
 - Enhanced education and skill levels;
 - Sustainable local jobs;
 - Raising local aspirations;
 - Supporting the delivery of a successful and accessible Park;
 - Helping to redefine Stratford's place in London's economy, as a new heart for east London.

This will be enabled through the provision of:

- 125,000m² Higher Education space;
- Up to 40,000m² cultural space;
- Up to 800 new residential units.

3. Equality comments

- 3.1 The LLDC's priority theme of championing equalities and inclusion was taken into account in the development of the proposition for Olympicopolis, in consultation with all project partners.
- 3.2 LLDC is a public body with a statutory responsibility under section 149 of the Equality Act 2010 to promote equality, tackle discrimination and promote good relations between different groups of people with protected characteristics. In exercising their functions, including when making policy and spending decisions, the LLDC is required to have regard to these matters which are set out in the public sector equality duty. Compliance is necessarily iterative and on-going. It includes carrying out a process to identify and actively consider potential detrimental impacts (if any) that may arise for individual protected groups and what mitigations (if any) could be implemented to address them at a level proportionate to the decision being taken. For this reason LLDC is about to undertake a strategic equality impact assessment on its renewed priorities, including its emerging Five-Year Organisational Strategy and the Olympicopolis project. As part of this process, the Legacy Corporation will be consulting with equality groups and testing whether its approach is helping to promote its equality priorities, and within this process, it will also give consideration to the role of the charity where appropriate.
- 3.3 Additionally, as it is proposed that the new company (which it is proposed will be a registered charity) merges with The Legacy List and effectively takes on its role, it will take on the founding articles and objects which define it. As such it effectively benefits from previous work done by LLDC and The Legacy List in assessing its impact and structuring operations accordingly. This gives confidence that the new charity will help tackle discrimination and promote equality of opportunity; indeed its charitable objects are focused on these very ambitions.

4. Other considerations

a) Key risks and issues

The key risks are identified, as:

- (i) Setting up the company in such a way that subsequently the Charity Commission refuse to grant it charitable status. This would mean having to amend the company's objectives and Articles and resubmit to the Commission which will delay the launch of the new charity. This risk has been mitigated by seeking the advice of specialist external advisers and drafting both the Objects and Articles as widely as possible to ensure that they are appropriate for the proposed activities of the new charity. Even if this risk materialises it should not have any adverse impact on fundraising activities as donations are not expected to be received for some time, and even if donations are available they can be paid into the GLA's external lawyer's charity account on a temporary basis;
- (ii) Once the new charity is created, it will be required to lead the Olympicopolis capital fundraising campaign, in addition to work previously done by The Legacy List. As with any charitable and philanthropic fundraising endeavour, there is a risk that these efforts will fail. However, the impact of this risk and the mitigation activity required falls primarily upon the LLDC and the GLA rather than the charity. These risks and mitigations are already well understood and captured elsewhere within the Outline Business Case submitted to HM Treasury.

b) links to Mayoral strategies and priorities

The Mayor's London Plan states that "The Mayor will work with partners to develop and implement a viable and sustainable legacy for the Olympic and Paralympic Games to deliver fundamental

economic, social and environmental change within east London" (known as 'Convergence'). "This will be London's single most important regeneration project for the next 25 years". The establishment of the charity will support delivery of the objectives of the Olympicopolis project. Olympicopolis directly addresses the Convergence ambition for east London. It also supports the Growth Deal for London 2014, within the context of detailed regional objectives, as set out in the Mayor's Vision 2020, Jobs and Growth Plan for London (2013) and the Mayor's Culture Strategy (2014). Olympicopolis directly addresses policy objectives around legacy, economy and Convergence.

The project also contributes to multiple policy objectives across at least three Government departments – the Department for Business, Innovation and Skills, Department for Communities and Local Government, and the Department for Culture, Media and Sport.

c) impact assessments and consultations.

The Legacy Corporation conducted a comprehensive impact assessment of the Olympicopolis project, which projected that the cumulative effect of the project will deliver 3,000 jobs, 1.5 million additional visitors and £2.8bn. of economic value for Stratford and the surrounding area. As noted at point 3.2 above, the LLDC will be undertaking a strategic equality impact assessment on its renewed priorities, including its emerging five-year organisational strategy and the Olympicopolis project.

It is not considered that the Mayor need undertake any further impact assessment in respect of this specific decision.

The Legacy Corporation consulted its Investment and Chairman's Committees, and Board, TfL Legal, specialist charity legal advisors, The Legacy List Trustees, a specialist fundraising consultancy, and through it, a number of very senior arts, culture, education and philanthropy stakeholders.

It is not considered that the Mayor need undertake any further consultation in respect of this specific decision.

5. Financial comments

- 5.1 The estimated costs of fundraising by the Charity for Olympicopolis have been taken into account in LLDC's updated business plan, together with the anticipated income required to support the project. MD1422 approved the GLA entering into a Memorandum of Understanding with the Government for the funding and delivery of Olympicopolis, and which requires the GLA to underwrite the cost of the project, including the fundraising risk. Further comments are set out in Part 2 of this decision.

6. Legal comments

- 6.1 The formation of a company and its registration with the Charity Commission as a charity, for the purposes of the promotion of urban and rural regeneration; the advancement of education, arts and culture; and the provision of recreational facilities and other charitable objects to be delivered by Olympicopolis, is within the LLDC's powers under the Localism Act 2011 to secure the regeneration of its area and to do anything it considers appropriate for that purpose or for incidental purposes.
- 6.2 The proposed charity will take the form of a company limited by guarantee, which is a corporate body. As such, section 212(2) of the Localism Act 2011 requires the Mayor to give his consent to its formation, which is it is proposed the Mayor does by approving this Decision Form.

7. Investment & Performance Board

- 7.1 The Olympicopolis project was considered by the Investment and Performance Board (IPB) as part of the Legacy Corporation's Ten-year Business Plan submission in November 2014. The revised Ten-year Business Plan was also approved by LLDC's Board at its meeting on 18 November 2014 as the basis for the LLDC's submission to the GLA as part of the Mayor's 2015/16 budget setting process. The Legacy Corporation will present its updated 2015/16 budget and Ten-year Business Plan to IPB on 19 March 2015 for final clearance for formal Mayoral approval.

8. Planned delivery approach and next steps

- 8.1 Whilst the new charity will be independent, and operate independently of LLDC, the Chair of the new charity will be invited to sit on the LLDC's Olympicopolis Programme Board that will provide strategic direction and oversight of the entire Olympicopolis project. It is expected that the Chair of the new charity and LLDC Board and executive members will work in an open and transparent relationship to ensure delivery of Olympicopolis objectives.

Activity	Timeline
Appointment of Chair of the new charity	Early March
Incorporation of the charity as a company limited by guarantee	Early March
Registration of charity with the Charity Commission	Early March
Merger with The Legacy List charity	Q2, 2015

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? YES**

If YES, for what reason: To enable the creation of the charitable company with Companies House and registration of the charity with the Charity Commission.

Until what date: Until after the creation of the corporate body with Companies House, and following confirmation by the Charities Commission of the registration of the charity, expected by end June 2015.

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:

Michelle Reeves has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision.

✓

Assistant Director/Head of Service:

Tom Middleton has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Sponsoring Director:

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

✓

Mayoral Adviser:

Neale Coleman has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

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

2.3.15

CHIEF OF STAFF:

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

Signature

Edward Hill

Date

03.03.2015