

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD244

Title: Queen Elizabeth Olympic Park All-through School Grant and Lease

Executive Summary:

This decision seeks consent, under Section 213 of the Localism Act 2011, and Paragraphs 3.2 and 4.5 of the London Legacy Development Corporation ("Legacy Corporation" or "LLDC") Governance Direction 2013, to the LLDC Board's decision for the Legacy Corporation to enter into, with the Contracting Authority David Ross Education Trust (DRET), for delivery of the Legatum Academy All-through Free School on Queen Elizabeth Olympic Park (QEOP): (i) a grant agreement for £3.7 million over the period 2014/15 to 2016/17 as a contribution towards capital funding; (ii) a long term lease (until 2125) for a site on Sweetwater (PDZ4) for the primary school. The grant will be funded from within the LLDC's capital budget, and is included in the Corporation's Ten-Year Plan, approved by MD1358.

The Legacy Corporation has agreed with the Planning Authority that provision of the All-through Free School will meet its section 106 planning obligations for the Legacy Communities Scheme (LCS) to provide educational provision for the East Wick and Sweetwater neighbourhoods.

The decision is taken by the Head of Governance and Resilience in the GLA's Corporate Management Directorate, under delegated authority from the Mayor, as approved by MD1276.

Decision:

That the Head of Governance and Resilience consents, under delegated authority from the Mayor, to the LLDC Board's decision for the Legacy Corporation to enter into:

- (i) A grant agreement for £3.7 million over the period 2014/15 to 2016/17;
- (ii) A long-term lease until 2125 at the Sweetwater primary site (PDZ4) on QEOP;

with the Contracting Authority, David Ross Education Trust (DRET) for delivery of the Legatum Academy All-through Free School. Approval is required under Section 213 of the Localism Act 2011, and Paragraphs 3.2 and 4.5 of the LLDC Governance Direction 2013.

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT:

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Tom Middleton

Position: Head of Governance & Resilience

Signature:



Date:

14.11.14

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 The Legacy Communities Scheme (LCS) planning permission for Queen Elizabeth Olympic Park (QEOP) granted in September 2012, includes a 6 form entry (FE) secondary school located at Rick Roberts Way (Planning Delivery Zone (PDZ) 12), a 3FE primary school at East Wick (PDZ5), and a 3FE primary school at Sweetwater (PDZ4). Collectively these meet the demand for school places generated by the LCS development.
- 1.2 Following an approach to LLDC in February 2013 by the Department for Education (DfE) for a site to support the delivery of a recently approved David Ross Education Trust (DRET) Sports Specialist All-through Free School, the Legacy Corporation commissioned initial feasibility work to assess the suitability of sites on QEOP, and the required budget to deliver the school. The studies indicated that a split-site solution was the only way to accommodate an All-through Free School on the Park, with a secondary school located on Stadium Island, and a 3 Form Entry (FE) primary school at Sweetwater. Further work also identified the Education Funding Agency's (EFA) delivery route as being the most cost effective.
- 1.3 The proposal to deliver the All-through Free School, comprising both primary and secondary provision on a split-site, with the secondary school located at Stadium Island instead of at Rick Roberts Way, and Sweetwater primary school comprising of a 2FE instead of a 3FE school, was considered by the Legacy Corporation's Investment Committee on 27 February 2014. It approved the proposal on the grounds that, as well as supporting accelerated residential development in East Wick and Sweetwater, early delivery of the schools would reduce the impact of cost inflation, and present opportunities to secure DfE funding to support design and build costs, which are significant. This would require, in due course, amendments to the LCS planning approval and associated s106 Agreement, as well as planning permissions for the new schools, on which LLDC are currently engaged in discussions with the Planning Policy Decisions Team (PPDT).
- 1.4 DRET has secured funding from the Education Funding Authority (EFA) towards the capital costs of building and fitting out the school, and the Trust will be seeking additional funding from EFA for a playing field. LLDC's cost consultants, Gardiner and Theobald, have confirmed that the EFA award is short of what is required for the school to meet the Legacy Corporation's required design quality. The Legacy Corporation has secured a grant contribution from the David Ross Foundation Trust and has agreed to make a grant funding contribution of £3.7m itself to close the funding gap. The grant will be delivered by way of a grant funding agreement. The EFA has been informed in writing that the Legacy Corporation grant is for the specific purpose of ensuring the school buildings are of a quality befitting their location and the LLDC's legacy vision.
- 1.5 Alongside the grant agreement, the Legacy Corporation's Board also approved the Legacy Corporation entering into two leases with the free school operator (DRET), each with terms until 2125. The first will be for the Sweetwater primary school site (PDZ4), and the second for the Stadium Island secondary school site (PDZ3) with E20 Stadium LLP, with the Legacy Corporation acting as Superior Landlord in the case of the latter. This decision only consents to the LLDC entering into a lease for the primary school site.
- 1.6 Section 213 of the Localism Act 2011 and Paragraphs 3.2 and 4.5 of the LLDC Governance Direction 2013 require that the Mayor consents to the giving of financial assistance by LLDC, and any 'land transactions' as defined in clause 2 of the National Lottery Funding Repayment Agreement. PDZ4 is on land that falls within the purview of the National Lottery Repayment Agreement. The General

Grant Consent 2014 approved by DD1245 gives automatic consent to S106 or Community Infrastructure Levy (CIL)-derived financial assistance, or for other grants where the total lifetime value is up to a threshold of £150,000. However the Legacy Corporation has requested specific consent to its decision to provide the grant to DRET in order to provide an audit trail. The General Grant Consent 2014 revokes the General Mayoral Consent to Financial Assistance by Grant 2012 referred to in the LLDC Governance Direction 2013, and approved under DD854.

2. Objectives and expected outcomes

- 2.1 The Legacy Corporation has always been clear that the delivery of Legatum Academy will need to satisfy the requirements of the LCS planning permission and S106 agreement, as well as its own ambitions for design quality and standards for high quality and accessible buildings in keeping with their immediate surroundings. These aspirations are shared by DRET and E2O Stadium LLP. The delivery of the school will also need to achieve the required BREEAM rating (Excellent) and will require the earlier delivery of some infrastructure amendments. The Legacy Corporation, along with DRET, are members of the Design User Group for the school, which will help to ensure that DRET's vision is aligned with the vision for QEOP and the wider Legacy Corporation area. In addition, high quality, inclusive design will be assured through the Legacy Corporation's role as the local planning authority.
- 2.2 The Legacy Corporation's grant (referred to as the "QEOP Premium") will be used to ensure that the desired level of design quality and specification are achieved, both in terms of the delivered product and in the life cycle costing of the building. An itemised list of the design and lifecycle elements that the QEOP Premium can fund is currently being developed by the Legacy Corporation's project team and will be sent to the EFA as part of the ITT design development process.
- 2.3 The QEOP Premium will only be used to fund those elements that go 'over and above' the EFA's standard Free School requirements, which could include, but are not limited to enhancements to:
- Facade treatment
 - Building and open space materials
 - Landscape design
 - Interior finishes and fittings
 - Mechanical & Electrical Engineering Services that reduce maintenance and operation costs during the life cycle
 - Enable full Integration of the secondary school building onto the Stadium Island from a design and operational standpoint

3. Equality comments

- 3.1 QEOP lies in one of the most diverse areas of the UK. In addition to its statutory duties, the Legacy Corporation needs to take this diversity into account in order to attract the best talent, to understand how its decisions impact on different communities and groups, and to create and manage community-focused parklands, venues, homes, events, and commercial and retail opportunities.
- 3.2 More specifically, delivering the schools early provides social infrastructure to benefit communities around the Park, and will help to integrate existing communities with the new communities. Early delivery of outstanding education facilities on the Park will also make a significant contribution to Convergence by helping to raise aspirations, educational attainment and skill levels in the area.
- 3.3 Designing and building the school in accordance with LLDC's Inclusive Design Standards (IDS) will help the Legacy Corporation meet priority theme objective 12 of its Ten-Year Business Plan to "ensure a successful Paralympic legacy through promoting participation in inclusive sport, delivering

inclusive design on the Park and holding the annual National Paralympic Day event”, with the design viability work and additional funding helping to achieve this. The IDS is in place to ensure that all buildings developed on the Park meet the highest standards of accessibility and inclusive design. The All-through School is expected to meet the IDS where applicable. Doing so will deliver an accessible school building that further enhances the accessibility of the wider Park.

- 3.4 Undertaking an Equalities Impact Assessment as part of the planning requirements for the new school will also help ensure that it is welcoming and accommodating for all members of the community from the outset, without the need for any overlay or future adaptations.
- 3.5 Accessibility is a priority for LLDC, hence it ensures the IDS are met as far as is possible, and will consult with its Built Environment Access Panel (BEAP) on proposals for the new school. The site is challenging from a physical access point of view hence the importance of getting this right. However, more widely, providing an accessible school helps to deliver more opportunities for the diverse local community.

4. Other considerations

a) key risks and issues

While there are a number of risks that the Legacy Corporation has identified on this project, the LLDC project team is actively seeking to mitigate these risks through robust mitigation plans and continuous monitoring. There are currently 3 main risks:

- 1) Programme Risk: risk that programme slippage will cause delays to the delivery of the All-through School and DRET’s draw-down of Education Funding Agency (EFA) grant funding and the ability to hit key milestones in the Stadium Island development. The project team is continuously monitoring the programme to ensure continuity and coordination with the Stadium transformation works in order to mitigate this risk.
- 2) Budget and Design Risk: the budget is constrained and there is a risk that value engineering exercises will decrease the design quality of the school, impacting on the Legacy Corporation’s aspirations for the school and impacting on the reputation of LLDC. The proposed Legacy Corporation grant contribution of £3.7m, in conjunction with DRET’s funding contribution, will help to mitigate this risk as the grants are being given on the condition that they be used to fund only those elements of the project which go over and above the EFA’s standard Free School requirements, ensuring that the school that is delivered is of a quality befitting of its location and Legacy vision. The Legacy Corporation is not expecting to take on the liability should the project go over budget and the delivery route selected for the school puts all risks, including any cost overruns, with the contractor. This is covered in the EFA’s contract with the contractor.
- 3) Planning Risk: this project will require changes to the LCS planning permission. Early discussions with the planning authority have taken place and the planning process has been taken into consideration in the All-through school programme.

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 from the Olympic and Paralympic Games to deliver fundamental economic, social and environmental change within East London, and to close the deprivation gap between Olympic host boroughs and the rest of London. This will be London’s single most important regeneration project for the next 25 years”. Delivery of the All-through School supports the policy objectives set by the Mayor of London and government to increase the number and quality of school places in areas of greatest need, either current or projected and, in doing so, makes a significant contribution to Convergence. The delivery of good quality education facilities on the Park, will also

help to raise aspirations, educational attainment and skill levels in the area. DRET already has a number of schools with ratings of good or above. They have an aspiration for this school to become outstanding within 5 years of operation.

DRET is committed to improving academic performance by focusing on sustainable improvement in four key areas:

- Supporting leadership teams in securing high quality monitoring
- Focusing relentlessly on literacy
- Coaching and professional development for the very best teaching and learning
- Sport and enrichment programmes that underpin engagement with schooling and raise ambition

c) impact assessments and consultations.

An Equalities Impact Assessment will be undertaken as part of the planning application for the new school.

The following consultations have, or will be, taking place:

- Continuous consultation with the EFA as the Legacy Corporation is using the EFA's Contractors Framework to deliver the school;
- The Free School operator (David Ross Education Trust) has been involved throughout the early stages of the development process;
- The Legacy Corporation's Quality Review Panel received a presentation on the project in October 2014;
- An Education Working Group is currently being established by LLDC, where formal consultation with the local boroughs (Newham and Tower Hamlets) and other key educational stakeholders will take place;
- LLDC Board and Investment Committee have been briefed on the project during its development, and the LLDC Board approved entering into the lease at Sweetwater at its Board meeting on 22 July 2014;
- E20 Stadium LLP Board has also been briefed on proposals for the school.

It is not considered that the Mayor need undertake any additional impact assessments or consultations in respect of this specific decision.

5. Financial comments

- 5.1 LLDC's £3.7 million contribution has been budgeted for as part of its long term spending plans and taken into account in the GLA's own funding plans for its support to the Corporation. The GLA will not be exposed to any cost overruns as long as all risks rest with the contractor, and it is intended to put this in place through the Education Funding Agency's contract with the contractor.

6. Planned delivery approach and next steps

Activity	Timeline
ITT Invitation to Tender for contractor	August 2014
Tender evaluation and selection of contractor	September- October 2014
Finalise contractors proposals	January 2015
Obtain planning approval	March 2015
Construction period	2015-2016
Practical completion of the school	2016/17

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:

LLDC is still in negotiations over Heads of Terms with the developer, and therefore publication may impact on commercial discussions.

Until what date: (a date is required if deferring) To be reviewed at the end of 30 November 2014

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 – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer
to confirm the
following (✓)

Drafting officer:

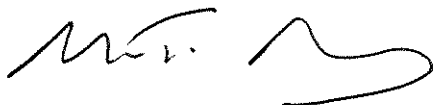
Katherine Talbot has drafted this report in accordance with GLA procedures and confirms that the Finance teams have commented on this proposal as required, and this decision reflects their comments.

✓

HEAD OF GOVERNANCE AND RESILIENCE:

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

Signature:



Date:

14.11.14

