

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD343

Title: London Legacy Development Corporation's Loan to the Foundation for FutureLondon

Executive Summary:

Olympicopolis is the Mayor of London's vision to create a new cultural and education district on Queen Elizabeth Olympic Park (QEOP). The Foundation for FutureLondon ("The Foundation") was established as a new charity in 2015 to help realise the potential of Olympicopolis and QEOP.

This decision seeks consent, under Section 213 (3)(b) of the Localism Act 2011, to the London Legacy Development Corporation's ("Legacy Corporation") decision to provide financial assistance by way of an interest-free loan to the Foundation for FutureLondon, to cover set-up, fundraising and related operational costs to deliver the benefits of the Olympicopolis project. Financial assistance will be provided through as a rolling loan facility over the period 2015-2020, which the Foundation can draw down, as required, up to an agreed capped sum. The loan will be funded from within the Legacy Corporation's capital budget, and is included in the Legacy Corporation's Ten-Year Business Plan, which was approved by the Mayor on 31 March 2015 under MD1492.

The decision is taken by the Head of Governance and Performance in the GLA's Corporate Management Directorate, under delegated authority from the Mayor in accordance with the Mayoral Scheme of Delegations (approved by MD1276).

Decision:

That the Head of Governance and Performance consents, under delegated authority from the Mayor, to the London Legacy Development Corporation's decision to provide financial assistance by way of an interest-free loan up to a total capped sum over the period 2015 – 2020, to the Foundation for FutureLondon, for set up, fundraising and related operational costs to deliver the benefits of the Olympicopolis project.

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 and Performance

Signature:



Date:

18.08.15

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 This decision seeks consent, under Section 213 (3)(b) of the Localism Act 2011, to the Legacy Corporation's decision to provide financial assistance by way of an interest-free loan to the Foundation for FutureLondon, the new Olympicopolis and Queen Elizabeth Olympic Park (QEOP) charity, over the period 2015-2020.
- 1.2 Section 213 (3)(b) of the Localism Act 2011 requires that the Mayor consents to the giving of financial assistance by way of a loan by a Mayoral development corporation (MDC). The Act states that the loan may be given on such terms and conditions as the MDC giving it considers appropriate (including provision for repayments, with or without interest).
- 1.3 Olympicopolis is the Mayor of London's vision to create a new cultural and education district on QEOP, with Founding Partners, University College London and the Victoria & Albert Museum, alongside University of the Arts London, Sadler's Wells, and the Smithsonian Institute, the world's largest museum.
- 1.4 The Foundation for FutureLondon was established in 2015 to help realise the potential of Olympicopolis and QEOP. Its charitable objects are 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 the Olympicopolis project. It will also lead fundraising activities as a means of achieving its objectives.
- 1.5 Sir William Castell has been appointed as Chairman of the Foundation by the Mayor, alongside five trustees. Shortly after establishment, the Foundation agreed to merge with the existing Queen Elizabeth Olympic Park charity, The Legacy List, which is now complete, with all staff and assets transferred into the Foundation. The arts and cultural programme established by The Legacy List will be taken forward and enhanced by the Foundation.
- 1.6 The Legacy Corporation proposes to provide an interest-free loan to the Foundation for the purposes of funding costs associated with the set-up of the Foundation, the merger with The Legacy List, fundraising and related operational costs. The loan is not intended to fund programme costs as the Legacy Corporation has an existing grant funding arrangement in place with the Legacy List for the delivery of the Legacy Corporation's arts and cultural programme.
- 1.7 It is proposed that the loan will be provided on a rolling basis, which the Foundation can draw down, as required, in line with the Outline Business Case for Olympicopolis, with further lending to be agreed in advance of each successive year up to 31 March 2020, up to a total capped loan sum. Details of the loan facility are confidential, and are therefore included in Part 2 of this Form.
- 1.8 Funds for provision of the loan will be found from within the Legacy Corporation's capital budget as part of the fundraising costs for Olympicopolis, which are reflected in the Legacy Corporation's Ten-year business plan approved by the Mayor on 31 March 2015 under MD1492.
- 1.9 The Head of Governance and Performance consents, under delegated authority from the Mayor, approved by MD1276, to the Legacy Corporation's decision to provide financial assistance via an interest-free loan to the Foundation for FutureLondon, as described in this report.

2. Objectives and expected outcomes

- 2.1 The provision of the loan to the Foundation will enable it to deliver its charitable objects - 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 the Olympicopolis project.

- 2.2 Olympicopolis will create a world-class education and cultural district on Queen Elizabeth Olympic Park, bringing together outstanding organisations to showcase art, dance, history, craft, science, technology and cutting edge design. It will ensure that future infrastructure investment on QEOP supports legacy priorities of physical, social and economic regeneration for east London, inc:

- Economic growth
- Enhanced education and skills 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.

3. **Equality comments**

- 3.1 The Legacy Corporation's priority theme of championing equality and inclusion has been taken into account in the development of the charitable objects of the Foundation. The provision of the loan by the Legacy Corporation to the Foundation will support the Olympicopolis fundraising programme to deliver the benefits of Olympicopolis to communities in east London, Londoners, and the UK.

4. **Other considerations**

a) key risks and issues

Key risks are contained in Part 2 of this Form.

b) links to Mayoral strategies and priorities

The Mayor's London Plan 2015 states that: *"The Mayor will work with and through the London Legacy Development Corporation to promote and deliver physical, social, economic and environmental regeneration of the Olympic Park and its surrounding area, in particular by maximising the legacy of the 2012 Olympic and Paralympic Games, by securing high quality sustainable development and investment, ensuring the long term success of the facilities and assets within its direct control and supporting and promoting the aim of convergence, and will seek to close the deprivation gap between the Olympic host boroughs and the rest of London. This will be London's single most important regeneration project for the next 25 years. It will sustain existing stable communities and promote local economic investment to create job opportunities (especially for young people), driven by community engagement."*

The provision of a loan to The Foundation for FutureLondon will help to deliver the Olympicopolis project, which is essential to the realisation of the Mayor's objective.

c) impact assessments and consultations.

The Legacy Corporation has commissioned an equalities impact assessment for its organisational strategy and Olympicopolis project. It is not considered that any further impact assessment is required in respect of this decision.

The Legacy Corporation has consulted with its Investment Committee in making this decision. No further consultation is required.

5. Financial comments

- 5.1 There is no direct impact on the GLA from this decision. MD1422 authorised the GLA to underwrite the overall funding for the Olympicopolis project which includes the costs of fundraising and any shortfalls in the amount raised. The estimated cash requirements for the project have been taken into account in the GLA's own budget and financial plans. There are additional financial comments in Part 2 of this decision.

6. Planned delivery approach and next steps

Activity	Timeline
Loan Agreement between the LLDC and the Foundation signed.	End September 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: Until 30 September 2015 when the loan agreement between the LLDC and the Foundation will have been signed.

Part 2 Confidentiality:

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 that the Finance and Legal teams have commented on this proposal as required, and this decision reflects their comments.

✓

HEAD OF GOVERNANCE AND PERFORMANCE:

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

Signature:



Date:

18.08.15

