

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2087

Title: Silvertown Way Budget & s106 Approval

Executive Summary:

This decision form requests approval for expenditure associated with the management and monitoring of the Silvertown Way development agreement. Approval is also sought to enter into a s106 agreement with London Borough Newham and Opal (Silvertown) LLP, to enable the planning permission for the proposed development to be granted.

Decision:

That the Executive Director of Housing & Land approves:

1. Expenditure of up to £80,000 to meet the ongoing costs of managing and monitoring of the Silvertown Way development, in accordance with the development agreement entered into on 26th June 2015 between *Galliford Try Partnerships & Linden Limited* and GLA Land & Property.
2. GLAP entering into a s106 agreement with Newham Borough Council and Opal (Silvertown) LLP.

AUTHORISING DIRECTOR

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

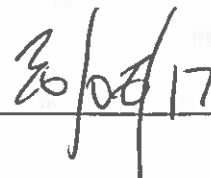
Name: David Lunts

Position: Executive Director Housing & Land

Signature:



Date:



PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 Under Mayoral Decision 1488, Galliford Try were selected as preferred development partner for the site known as Silvertown Way and went on to sign the development agreement in June 2015.
- 1.2 The scheme will deliver 975 new homes of which 35% will be affordable, 30% will be managed by a specialist private rent sector (PRS) operator and the remainder will be market sale. There is a strong emphasis on non-residential uses on the site, including a new hotel, a food store and work space totalling in excess of 8,000 sqm.
- 1.3 Under Mayoral Decision 1660 a number of amendments were proposed and approved in order to allow progression of the scheme through planning - which was submitted to Newham Borough Council in October 2016. The planning application received resolution to grant at the June 2017 planning committee. The s106 agreement now needs to be completed to secure planning permission.

1.4 Budget Request

- 1.4.1 As the project moves into delivery a budget of £80,000 will be required to fund the GLAs remaining commitments under the development agreement to completion of the project, in 2021. These costs will cover legal fees relating to the drawdown of leases and the review of the s106 agreement and other monitoring costs associated with the enforcement of a development agreement. Table 1 below shows the estimated profiling of these costs.

Table 1. Estimate of costs profile.

	Forecast cost					Total Cost
Year	2017/18	2018/19	2019/20	2020/21	2021/22	
£	20,000	20,000	20,000	10,000	10,000	80,000

1.5 s106 Agreement

- 1.5.1 Heads of terms for the s106 agreement to which GLAP and *Opal (Silvertown) LLP* (the developer's project company) will be a party, are appended in Part 2, setting out the proposed commitments and financial payments. It is requested that GLAP enter into this agreement on the basis that an indemnity for these liabilities is provided by the development partner, Galliford Try PLC to ensure that GLAP are not exposed to such costs despite being liable on a joint and several basis in the s.106.

The level of affordable housing has agreed between Galliford Try and London Borough of Newham is 35%, reflecting the local policy position and the agreed requirement under the development agreement.

- 1.5.2 The s106 terms may vary slightly as the s106 agreement is negotiated. If these variations are deemed to be material, further approval will be sought.
- 1.5.3 See Part 2 for the associated risks.

2 Objectives and expected outcomes

- 2.1 The development partner submitted a planning application in October 2016 for 975 new homes and in excess of 8,000 sqm of non-residential space. This achieved resolution to grant permission at June 2017 Committee.
- 2.2 The project is therefore performing in line with the contracted timeframes and aims to commence works in 2017 and look to conclude in 2021.

3 Equality comments

- 3.1 The scheme has been designed with inclusive design as a key principle with all units meeting Lifetime Homes standards and with 10% of units being fully wheelchair accessible.

4 Other considerations

N/A

5 Financial comments

- 5.1 This decision requests approval to spend £80,000 to meet the ongoing costs of managing and monitoring of the Silvertown Way development. In addition, approval is also sought for GLAP to enter into a s106 agreement with Newham Borough Council and Opal (Silvertown) LLP on the terms set out within this paper (see Part 2 for further details).
- 5.2 Cost profile outlined in Table 1 above (Section 1.5) shows that this project will only incur £20,000 in 2017/18 financial year and any future year balances will be earmarked in the Land and Property Programme budget within Housing & Land department and will be subject to Mayoral approvals.

6 Legal comments

- 6.1 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.

6.2 Sections 1 - 3 of this report indicate that the decision requested made of the Director falls within the GLA's statutory powers.

7. Planned delivery approach and next steps

Activity	Timeline
Planning application submitted	Autumn 2016
Planning Application determined	Summer 2017
Start on Site	Autumn 2017
Construction complete	Summer 2021

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:

Michael Payton has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service:

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

✓

Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

Corporate Investment Board:

The Corporate Investment Board reviewed this proposal on 29 August 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

29.8.17

