

## REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2395

### Title: Flyunder Planning Permission

#### Executive Summary:

This decision requests approval for GLA Land and Property (GLAP) revenue expenditure to secure planning permission for the provision of light industrial workspace on GLAP land beneath the Silvertown Flyover (project named the Flyunder) in the London Borough of Newham (LBN). In December 2018, GLAP submitted a planning application to develop this land which was then supported at the LBN's Strategic Planning Committee in June 2019.

Whilst GLAP secures a long term tenant for the site, ancillary planning documents must be agreed and signed and LBN fees paid. Without a Section 106 agreement and commitment to fees, GLAP risk losing the planning permission.

#### Decision:

That the Assistant Director of Strategic Projects and Property approves:

1. Entering into a Section 106 document and any further ancillary documents to secure planning permission including highways agreements; and
2. £20,000 in expenditure on professional fees and monitoring fees incurred in securing planning permission.

#### 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:** Simon Powell

**Position:** Assistant Director of Strategic Projects and Property

**Signature:**

**Date:**

7 January 2020



## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE**

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

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

- 1.1. In April 2017 GLAP leased the Silver Building to Projekt (then Mill Co.) for use as affordable creative workspace under a meanwhile lease. The Silver Building is located in the London Borough of Newham and is well-situated at the western end of the North Woolwich Road on Dock Road. The Silver Building was previously used by Carlsberg Tetley for office and industrial purposes. Projekt have renovated and fully let the Silver Building with the site housing creative talent.
- 1.2. The Silver Building forms part of Phase one of the Thameside West masterplan and will be demolished ahead of the delivery of this phase of the development. The exact timings of the demolition of the Silver Building are contingent on the progress of the Thameside West masterplan planning application and the delivery programme for Phase one. The Thameside West project is governed via a Co-Operation Agreement between GLAP and Silvertown Homes Limited (SHL), with Keystone acting as developer. The Silvertown Flyunder is located in close proximity to the Silver Building and was scoped as a future location to decant Silver Building tenants as a permanent solution.
- 1.3. The Flyunder project was initially worked up as part of the Thameside West masterplan before being split into a separate planning application. This was to accelerate the planning process for the Flyunder, anticipating that the wider masterplan would take longer to both resolve and gain planning permission. As GLAP is the sole owner of this land, and as the contractual documents with the potential lease holder had not been drafted at the time, GLAP was named the applicant.
- 1.4. GLAP submitted the application for light industrial workspace beneath the Silvertown Way Flyover, (although the project is named the Flyunder) in December 2018 and was approved by LBN's Strategic Planning Committee in June 2019.
- 1.5. Officers have drafted Heads of Terms for a lease which are agreed with the exception of the rental figure and business plan with a prospective tenant. Whilst GLAP continue to negotiate a lease, planning permission must be secured. Officers have identified that GLAP will not be liable for any significant costs associated with Section 106 until building works commence on site and the planning permission is implemented, by which point, a tenant will be secured who will bear these costs.
- 1.6. GLAP will have 2 years to secure a lease for the Flyunder before losing the planning permission.
- 1.7. Other ancillary documents may require GLAP signature. For example, a Section 273 will be required for works around the existing structures on site, as the land is beneath LBN owned highway.
- 1.8. LBN's legal team have drafted a Section 106 Deed (Appendix 1). The budget in this ADD will cover their legal fees and early monitoring fees GLAP will be liable for whilst securing the planning permission. The Section 106 will also hold GLAP liable for further costs, however these are incurred upon implementation of the planning permission which will allow GLAP to back the financial liability into any Lease for the land.

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

- 2.1. The objectives of the approval and subsequent development are to:
  - Secure planning permission for the Flyunder. Consequently, this will mean that the project is not unduly delayed.

- Secure the delivery of affordable light industrial workspace in the Royal Docks and retain tenants whom might otherwise be lost once the Silver Building is demolished.

### 3. Equality comments

- 3.1. The London Borough of Newham is both one of London's most economically deprived boroughs and one of the most diverse. In this regard, this project supports an inclusive approach to creating space through the ambition to secure long term affordable rents on commercial space. The project will not adversely affect any protected groups.
- 3.2. The Flyunder project will protect tenants and associated economic activity that would otherwise be under threat of losing space as rental markets rise in the area. This move forms part of a wider approach to ensure a diversity of workspace across the Royal Docks, therefore supporting the diverse local community.
- 3.3. The design of the space considers accessibility for all users and meets Part M regulations for new buildings.

### 4. Other considerations

#### Financial Implications

- 4.1 The Section 106 document holds GLAP liable for specific fees and levies. However, most will not be payable until the planning permission is implemented. This means GLAP can transfer liabilities onto a Lessee if they intend to build out the project.
- 4.2 Due to the association of the Flyunder with the Thameside West masterplan, Keystone have provided an undertaking for the legal fees required to draft the Section 106. This liability will be passed onto the future tenant of the Flyunder.
- 4.3 Financial liabilities are listed in the below table:

Activity	When payment is due	Value
Legal fees	Upon completion of s106 deed	£3,000 (approx.)
Carbon offset contribution	Upon implementation	£85,176
Community Infrastructure Levy	Upon implementation	£179,715
Car monitoring fee	Prior to first occupation	£2,000
Monitoring fee	Upon completion of s106 deed	£10,000
Travel plan monitoring fee	Prior to first occupation	£10,000
Add Flyunder to Land Registry	Within 30 days upon completion of s106 deed	<£1,000

- 4.4 The legal fees will not be confirmed until the document is complete: however £3,000 has been quoted by the local authority as a likely estimate. Officers recommend a budget of £20,000 to cover the Monitoring Fee and legal fees allowing a £7,000 contingency for Land Registry and other professional fees that may arise in completing this document.
- 4.5 A key risk is that a new tenant might serve a notice to LBN announcing commencement on site and not duly pay the fees committed to in the Section 106 document in a timely manner. This would mean that GLAP would be held responsible by LBN. This would include Community Infrastructure Levy fees. In order to mitigate this risk GLAP will ensure that any future Lessee evidences availability of funds prior to entering into a lease for the Flyunder. Section 106 liability will be tied into the lease.

- 4.6 If GLAP are unable to secure a lease for the Flyunder in less than 2 years, planning permission will be lost for this project and GLAP will have to apply again for planning permission. This risk is low considering existing interest in the area.
- 4.7 It is not considered that any further impact assessment is required for this specific decision.
- 4.8 The Flyunder links to the Mayor's policies such as the London Plan, A City for All Londoners, draft Culture Strategy and is aligned with the Mayor's Equalities Framework to consider the requirements of relevant equalities groups.
- 4.9 There are no real or perceived conflicts of interest in drafting this paper.

## **5. Financial comments**

- 5.1. This decision seeks approval for expenditure of up to £20,000 on professional fees to secure planning for the provision of light industrial workspace on GLAP land beneath the Silvertown Flyover.
- 5.2. The expenditure will be funded from within the Land and Property budget in GLAP and will be incurred in 2019/20 financial year.

## **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 of the Assistant Director falls within the GLA's statutory powers.

## **7. Planned delivery approach and next steps**

<b>Activity</b>	<b>Timeline</b>
Enter into Section 106 Agreement	December 2019
Secure lease arrangement	Spring 2020
Implement planning permission	Summer 2020
Practical completion	Summer 2021

### **Appendices and supporting papers:**

Appendix 1: Draft Section 106 document – Silvertown Way Flyunder

**Public access to information**

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) 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 it has been approved or on the defer date.

**Part 1 - Deferral**

**Is the publication of Part 1 of this approval to be deferred? NO**

Until what date: (a date is required if deferring)

**Part 2 - Sensitive information**

Only the facts or advice that would be exempt from disclosure under FoIA should be included 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:**

Jennifer Gutteridge has drafted this report in accordance with GLA procedures and confirms the following:

✓

**Corporate Investment Board**

This decision was agreed by the Corporate Investment Board on 16 December 2019.

**ASSISTANT DIRECTOR OF FINANCE AND GOVERNANCE:**

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

Signature

*M. D. Allen*

Date

*6.1.20*

