

REQUEST FOR DIRECTOR DECISION – DD1245

Title: London Legacy Development Corporation: LLDC General Financial Assistance (Grant) Consent 2014

Executive Summary:

This decision seeks approval for a new general consent for the London Legacy Development Corporation ("Legacy Corporation" or LLDC) to give financial assistance by way of grant under certain defined circumstances. The new general consent, agreed by the GLA and the Legacy Corporation, brings section 106 and Community Infrastructure Levy (CIL)-derived financial assistance under the purview of the general consent. Approval is required under Section 213 and 221 of the Localism Act 2011. This consent revokes the General Mayoral Consent to Financial Assistance by Grant 2012, approved under DD854.

The decision is taken by the Executive Director of Housing and Land in the GLA's Housing and Land Directorate, under delegated authority from the Mayor, as approved by MD1227.

Decision:

That the Executive Director of Housing and Land:

1. Approves, under delegated authority from the Mayor, a general consent in accordance with sections 213 and 221 of the Localism Act 2011, for the Legacy Corporation to give financial assistance by way of grant in accordance with the LLDC General Financial Assistance (Grant) Consent 2014, attached as Appendix 1 to this Form.
2. Notes that this new general consent revokes the General Mayoral Consent to Financial Assistance by Grant 2012, for the LLDC, approved under DD854.

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 of Housing and Land

Signature: 

Date: 28/07/14

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1** The Localism Act 2011 provides at section 213, that ‘an MDC [Mayoral development corporation] may, with the consent of the Mayor, give financial assistance to any person’. This means that the provisions of financial assistance from the Legacy Corporation, of whatever size and in whatever form, whatever the source of its funding, must be formally approved by the Mayor before it is made. The Localism Act 2011 permits the Mayor to give a general consent, including unconditionally or subject to conditions.
- 1.2** The General Mayoral Consent to Financial Assistance by Grant 2012 (“2012 General Grant Consent”) approved by DD854 gives a general consent for the LLDC to give financial assistance by way of grant under certain defined circumstances, and where the total lifetime cost of grant is up to £100,000, and is in line with the LLDC’s grant funding guidance.
- 1.3** It has been agreed by the GLA and the Legacy Corporation that the 2012 Grant Consent is updated in order to ensure that all financial assistance of any value derived from the LLDC’s section 106 payments and Community Infrastructure Levy (CIL) are automatically consented under section 213 and also to reflect the revised Mayoral Scheme of Delegation (approved under MD1276) under which the postholders listed in Annex 2 to the Scheme (Specified Senior Members of Staff) can exercise any Mayoral power, including giving consent under section 213. The proposed new LLDC General Financial Assistance (Grant) Consent 2014 (“2014 General Grant Consent”) revokes the 2012 consent.
- 1.4** The proposed new consent gives the LLDC a general consent under section 213 to give financial assistance by way of grant only where:
- (a) the total lifetime cost of the grant in question is of any value and –
 - (i) the grant is in respect of a project where the grant is funded by monies paid in accordance with an agreement entered into under section 106 of the Town and Country Planning Act 1990; or
 - (ii) is paid from monies collected by the LLDC under the Community Infrastructure Levy Regulations 2010 (as amended) and where the project or type of infrastructure on which the grant is to be spent is contained in the list of projects or types of infrastructure which is published on LLDC’s website from time to time pursuant to regulation 123 of those Regulations; or
 - (b) the grant in question does not fall under paragraph 2 (a) (i) or (ii) above and its total lifetime cost is between one pound (£1) and one hundred and fifty thousand pounds (£150,000).

A copy of the 2014 General Grant Consent is at Appendix 1 to this report. It is expected that the LLDC Governance Direction 2013 will be amended, in due course, in order to reflect this new general consent.

- 1.5** Under the proposed 2014 General Grant Consent, the LLDC will be required to maintain an up-to-date list of all grants for financial assistance proposed, or made, and make this available to the GLA on request. The consent sets out conditions as to compliance with the LLDC’s Grant Funding Guidance. It does not confer consent for any other (non-grant) types of financial assistance of any value that the LLDC may provide, which will continue to require specific consent under section 213 of the Localism Act.

- 1.6 The Executive Director of Housing and Land is authorised (under MD1227) to discharge and exercise the Mayoral functions under the LLDC Governance Direction 2013, and so may approve the giving of this proposed general consent. Under the revised Mayoral Scheme of Delegation (approved under MD1276) any relevant postholder listed in Annex 2 to the Scheme (Specified Senior Members of Staff) will also be able to give consent under section 213 where the grant in question falls outside the scope of the proposed 2014 General Grant Consent.

2. Objectives and expected outcomes

- 2.1 The LLDC has commenced the statutory process for establishing a CIL charging schedule for infrastructure projects. It will, in the near future, be able to levy its own CIL in relation to infrastructure, which will have been approved following a statutory process under regulation 123 of the CIL Regulations 2010. The LLDC has also entered into a number of large-value section 106 agreements with developers to fund various projects. It is appropriate that CIL-derived and section 106-derived grants for financial assistance are given consent under section 213 as the purposes for which the money is to be used has been already determined through the statutory CIL and development control processes. It is proposed that these grants are consented whatever their value, including where over £150,000. Bringing s106 and CIL-derived financial assistance under the purview of the general grant consent will mean that these types of financial assistance will be consented as a matter of course, and so will not require separate consents for each proposal to provide a grant in fulfilment of the LLDC's planning obligations. It is also felt appropriate to uplift the financial threshold for the LLDC providing other grants for financial assistance (i.e. non-CIL or non-s106-derived) from £100,000 to £150,000. Grants over that threshold will continue to require specific consent under section 213.

The outcome of the proposed new 2014 General Grant Consent will be that grants are disbursed by LLDC in an efficient and effective manner that provides value for money, while the GLA has sufficient oversight.

3. Equality comments

- 3.1 The Legacy Corporation is responsible for long-term planning, development and management of Queen Elizabeth Olympic Park, and transforming and integrating one of the most challenged areas of the UK into world-class, sustainable and thriving neighbourhoods. The proposal will enable the LLDC to assist others, through provision of grant assistance, in helping to deliver this objective, with long-term benefits for the diverse communities in East London.

4. Other considerations

a) key risks and issues

The purpose of this proposal is to achieve an appropriate balance of risk in the GLA's relationship with the Legacy Corporation - ensuring that on the one hand, the GLA has adequate oversight of certain decisions of the LLDC, and in some cases, that these decisions are referred to the Mayor for consent, while ensuring on the other hand that the LLDC has the autonomy and flexibility to act on other matters consistent with its powers and delegated spending limits, without being unnecessarily fettered. These measures are intended to manage risks to the Mayor associated with the work of the Legacy Corporation in light of that required balance.

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, and 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.” Approving the general consent will enable the LLDC to provide grant assistance in the most efficient manner to individuals and organisations who can contribute to realising the Mayor’s Convergence objective.

c) impact assessments and consultations.

The proposal to amend the general consent for financial assistance by way of grant was discussed and agreed by the GLA and the LLDC at the GLA-LLDC Finance and Policy Liaison Meeting held on 25 June 2014. It is not considered that there are any further requirements for consultation or impact assessment arising from this decision.

5. Financial comments

- 5.1 This decision in itself does not commit resources on behalf of the GLA. The proposed threshold for consent of non-CIL and non-s106 grant assistance will be consistent with the Mayor’s Scheme of Delegation. Oversight of CIL and s106 commitments will continue through general budget monitoring of LLDC and through the development and approval of its budget and business plan.

6. Legal comments

- 6.1 This section covers legal implications not covered elsewhere in this Form. The Mayor must consent to the LLDC giving financial assistance under section 213 of the Localism Act 2011, whatever form that assistance takes. Financial assistance can take a number of forms, including by grant, loan, guarantee or indemnity, investment or incurring expenditure for the benefit of the body or person assisted. Financial assistance may be given on such terms and conditions as LLDC considers appropriate (including provision for repayment, with or without interest). Under section 221a consent under section 213 may be given generally, with or without conditions.
- 6.2 The proposed 2014 General Grant Consent contained in Annex 1 complies with the relevant provisions of the Localism Act 2011. It only provides consent for financial assistance given to LLDC by way of grant and does not provide any consent for any other type of assistance envisaged by the Act. Any relevant specified Senior Member of Staff listed in Annex 2 to the Mayoral Scheme of Delegation may give consent for financial assistance, including where the grant in question falls outside the scope of the proposed 2014 General Grant Consent.

7. Planned delivery approach and next steps

Activity	Timeline
Mayoral consent to the LLDC General Financial Assistance (Grant) Consent 2014	July 2014

Appendices and supporting papers:

- Appendix 1: London Legacy Development Corporation: LLDC General Financial Assistance (Grant) Consent 2014.

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) N/A

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:

Michelle Reeves has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service:

Fiona Duncan 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.

✓

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

28.7.14

