

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2456

Excel Centre (Plots WE4A and WE4B)

Executive Summary:

In February 2017, Mayoral Decision (MD) 2073 agreed the redevelopment of three plots on the Excel estate in the Royal Docks, which together will include 901 homes. One of the three plots already had planning permission (for 105 homes), and the agreement set out the need for 35 per cent affordable housing on the remaining two plots (WE4A and WE4B) in accordance with the planning policy requirements for 'fast track' consideration for private land. Although GLA Land & Property Limited (GLAP) is the freeholder of the land, a 200-year lease was granted to London International Exhibition Centre Plc (Excel) in 2001 meaning the site is *de facto* private sector. MD2073 included a commitment that the GLA would, nonetheless, work to increase the level of affordable housing. Following extensive negotiations with the developer and the London Borough of Newham, this MD seeks approval for GLAP to adjust the commercial terms of the agreement authorised by MD2073 to increase the level of affordable housing across the two undeveloped plots to 40 per cent on the 796 homes (by habitable room).

Decision:

That the Mayor approves:

1. An increase in the level of affordable housing on two plots (WE4A and WE4B) on the Excel estate from 35 to 40 per cent; and
2. A consequent adjustment in the terms of the commercial agreement with Excel, and their Joint Venture (JV) with Mount Anvil, regarding the development of these plots (as set out in Part 2 of this MD).

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

11/6/17

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1. In 2001 the London Development Agency (LDA) signed a 200-year lease with London International Exhibition Centre Plc (Excel) as part of the development of the centre and surrounding estate. Since then, the Excel centre has become very successful and attracts over four million visitors each year. It makes a significant contribution to the regeneration of the Royal Docks, which is London's only Enterprise Zone and a major focus of investment for the Mayor of London and the Mayor of Newham.
- 1.2. The 2001 lease was primarily focused on the construction of the main exhibition centre but also laid out other development plots which have gradually been developed, largely around the western end of the estate. The lease contains mechanisms for GLA Land & Property Limited (GLAP), as the current freeholder, to receive a capital sum from the development of these plots.
- 1.3. Through Mayoral Decision (MD) 2073 of 10 February 2017, GLAP agreed to Excel proceeding with three of these plots (WE4A, WE4B, and WE5B), which Excel wished to redevelop for residential use with its development partner, Mount Anvil. The development across the three plots will deliver 901 homes, and under the Excel lease GLA approval was required to proceed. The WE5B plot already had planning permission so only the arrangements relating to the redevelopment of plots WE4A and WE4B were detailed. The arrangements for these two plots were documented in an agreement with Excel on 26 April 2017 called the Umbrella Agreement.
- 1.4. MD2073 noted that the proportion of affordable housing on these two plots was 35 per cent in line with 'fast track' planning requirements for private land. The MD highlighted the commitment to seek to increase the level of affordable housing. This MD seeks approval to vary the terms of the commercial arrangements to secure an increase in the affordable housing from 35 to 40 per cent.

2. Objectives and expected outcomes

- 2.1. The plots concerned are within the Excel estate in the Royal Docks and they are owned by Excel (LIEC Limited) via a long leasehold interest granted in 2001, with GLAP being the current freeholder. As the lease was granted for 200 years, the sites are considered privately owned for the purposes of the Mayor's Affordable Housing and Viability Supplementary Planning Guidance (2017).
- 2.2. The proposal is to adjust the commercial terms of the Umbrella Agreement in exchange for an increase in the level of affordable homes on plots WE4A and WE4B from 35 to 40 per cent. This increase will help to support the Mayor's housing policy and the aspirations of the draft London Plan.

3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010 (the "Equality Act"), as a public authority, the GLA must have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation, and to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not. Protected characteristics under the Equality Act comprise age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation and marriage or civil partnership status.
- 3.2. When considering the needs of the existing community and those that will be affected by the proposed development (both currently and in the future development scheme), any development activity will look to minimise disadvantages to all protected characteristic groups within society. This decision is therefore expected to have positive impacts on persons with a protected characteristic

under the Equality Act, as increasing the supply of housing in London will help to address problems such as overcrowding and homelessness, which evidence indicates disproportionately affect specific groups, including those with protected characteristics.

- 3.3. London Borough of Newham has recently refreshed its Local Plan and this has highlighted the need for additional affordable housing.

4. Risk Management

- 4.1. Risk comments are set out in Part 2.

5. Financial comments

- 5.1. This decision seek approval to increase the affordable housing on three plots of land at the Excel Centre. There will be a reduction in the GLAP land receipt from the development of the land to compensate the developer. The payment to GLAP will also be delayed.

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

7. Planned delivery approach and next steps

Activity	Timeline
Planning decision by London Borough of Newham	April 2019
Mayoral Decision	June 2019
Revised legal agreement	July 2019
Start on site	Early 2020
Completion	2022/23

Appendices and supporting papers:

None.

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

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 – YES

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Paul Creed has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

David Lunts has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

James Murray has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 10 June 2019.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. D. Allge

Date

10.6.19

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

D. Bellamy

Date

10/6/2019.