

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD2276

### Title: Stephenson Street Legal Costs and Legal Agreements

#### Executive Summary:

A development agreement was signed with Berkeley Homes (South East London) Ltd on 26<sup>th</sup> April 2016 for a residential-led scheme at West Ham. As the site is large and complicated and involves the acquisition of third party rights this agreement contained a number of obligations to complete further legal agreements in order to discharge the conditions and commence construction. These are set out in the initial approval for the development (MD1626), and this MD seeks further legal budget now that these costs are more clearly defined.

GLAP are also now required to be a party to a further agreement with the Education Funding Agency to facilitate the building of a school on site and a Deed of variation to detail the school provisions and other non- material changes to the original Development Agreement, the terms of which are set out in part 2.

#### Decision:

The Mayor is asked to approve additional budget of £220K, this is within the lifetime budget forecast.

The Mayor is also asked to:

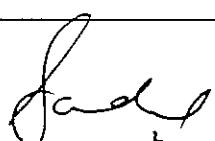
1. Approve GLAP entering into an agreement with the Education Funding Agency and Berkeley Homes (South East London) to facilitate the building of a school on the site;
2. Approve GLAP entering into a deed of variation to the Development Agreement with Berkeley Homes (South East London) to facilitate changes as outlined in part 2; and
3. Approve GLAP entering into the ancillary documentation required to facilitate the obligations under the Development Agreement as materially referenced in part 2.

#### 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:

23/4/18

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

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

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

- 1.1 A development agreement was signed with Berkeley Homes (South East London) Ltd on 26<sup>th</sup> April 2016 for a residential-led scheme at West Ham. As the site is large and complicated and involves the acquisition of third party rights this agreement contained a number of obligations to complete further legal agreements in order to discharge the conditions and commence construction. These were outlined in the MD for the disposal (MD1626) are detailed in Part 2.
- 1.2 The project also requires additional budget to complete these agreements. This is also outlined in Part 2.

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

The completion of the various agreements will satisfy the conditions in the development agreement and allow construction to begin on site.

#### **3. Equality comments**

- 3.1 Under section 149 of the Equality Act 2010, as public authorities, the Mayor and the GLA are subject to a public-sector equality duty and must have 'due regard' to the need to (i) eliminate unlawful discrimination, harassment and victimisation; (ii) advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and (iii) foster good relations between people who share a relevant protected characteristic and those who do not. Protected characteristics under section 149 of the Equality Act are age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status.
- 3.2 Throughout the decision-making process relating to the approvals sought in this paper to facilitate this significant housing development moving forward to delivery, due regard has been had to the 'three needs' outlined above. The housing shortage in London disproportionately negatively affects people with certain protected characteristics. Increasing the supply of housing, and in particular affordable housing will help to achieve positive impacts in line with the 'three needs'.

#### **4. Other considerations**

- A key risk is not completing the legal agreements required to commence development.
- Delivery of housing is a Mayoral priority – this site will deliver upwards of 3,750 homes.
- The development has undertaken extensive impact assessments as part of the planning submission.

#### **5. Financial comments**

- 5.1 Approval is sought for additional revenue and capital budget to progress the development of the site.

## **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 In exercising the power contained in section 30(1) of the GLA Act, the GLA must have regard to the matters set out in sections 30(3-5) and 33 of the GLA Act, and also the Public Sector Equality Duty in section 149 of the Equality Act 2010 as set out above in section 3.

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

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

<b>Activity</b>	<b>Timeline</b>
Completion of legal agreements	April 2018
Satisfaction of conditions in the Development Agreement	May 2018
Start on site	Sept 2018
Ultimate scheme longstop	April 2038

**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:**

Caroline Cameron 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.

✓

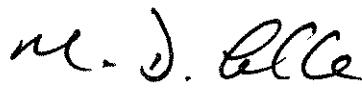
**Corporate Investment Board**

This decision was agreed by the Corporate Investment Board on 16 April 2018.

**EXECUTIVE DIRECTOR, RESOURCES:**

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

Signature



Date

16. 4. 18

**CHIEF OF STAFF:**

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

Signature



Date

16 / 4 / 2018