

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2523

Silvertown Quays – Policy Compliance

Executive Summary:

Silvertown Quays is a major development site in the Royal Docks Enterprise Zone. It had a Master Development Agreement (MDA) signed in 2013, and an Outline Planning Permission (OPP) granted in August 2016. The Mayor approved a change of control in 2018 (through MD2280) and since then the Royal Docks Team has been working with The Silvertown Partnership (TSP) to move the scheme to the construction phase and meet the contractual milestones of the MDA. This MD seeks approval for project expenditure and income over the next four years in line with the payment provisions in the MDA. It also outlines a draft proposal to update the planning consent for the site to meet current Mayoral and draft London Plan policy and deliver 50 per cent affordable housing.

Decision:

That the Mayor approves:

1. The receipt of £600,000 from The Silvertown Partnership into the GLA Land and Property budget over the period 2018-22 and expenditure of the same sum from the GLA Land and Property budget on legal and commercial fees related to Silvertown Quays over the same period; and
2. A goal of a revised Outline Planning Permission for Silvertown Quays which delivers 50 per cent affordable housing to bring the site into line with current planning policy and which will be subject to a further Mayoral Decision.

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:



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

Decision required – supporting report

1. Introduction and background

- 1.1. GLA Land & Property Limited (GLAP) entered into a Master Development Agreement (MDA) with The Silvertown Partnership (TSP) in June 2013 to deliver a mixed-use redevelopment on the Silvertown Quays (SQ) site in the Royal Docks. This followed a competitive procurement process begun by the London Development Agency and concluded by the previous Mayor. A Master Development Agreement (MDA) was signed in 2013. The Outline Planning Permission (OPP) was approved by the London Borough of Newham and the previous Mayor of London in December 2015 and the Section 106 was signed in August 2016.
- 1.2. The bulk of historic approvals have been to consent to stages in the project, as follows:
 - MD977 (March 2012) – adoption of London Development Agency's procurement process.
 - MD1205 (May 2013) – signing of the MDA with TSP.
 - MD1410 (November 2014) – investment of DCLG grant into the site.
 - MD1653 (May 2016) – signing of the S106 relating to the OPP.
 - MD2280 (May 2018) – approval of the change of control under the MDA.
- 1.3. These previous Mayoral Decisions did not capture a provision in the SQ MDA that provide for GLAP to have reimbursed up to £150,000 per year on expenditure relating to the project, including professional fees. The purpose of this Mayoral Decision is to seek approval of this expenditure, which will be repaid to GLAP by TSP at the end of each financial year, resulting in a net nil position to GLAP.
- 1.4. TSP are now ready to submit the Reserved Matters Application (RMA) for phase one in line with the contractual milestone of the MDA. This is important as it gets construction activity on the site and advances the completion of the first homes and commercial units. More detail is set out below in Section 2.
- 1.5. However, since the OPP was prepared the current policy as set out in the draft London Plan has evolved. It is proposed that the existing mechanisms of the MDA be used to address this. More detail is set out in Section 2.

2. Objectives and expected outcomes

- 2.1. The strategic objectives of the GLA are in line with those in the original procurement launched by London Development Agency, namely: to achieve the comprehensive redevelopment of this large, brownfield site; to provide a new heart for the Royal Docks; and to deliver a mixed-use development.
- 2.2. Since the signing of the MDA in 2013 and the approval of planning in 2015 there have been significant changes to policy including the update to the National Planning Policy Framework (2018); the Mayor's Transport Strategy (2018); the draft London Plan (2019 draft following the Examination in Public); and the LB Newham Local Plan (2018).

Proposed approach to phase one

- 2.3. In line with the revisions to the MDA agreed in 2018, the longstop date for TSP to submit their Reserved Matters Application (RMA) for phase one is 30 September 2019. As this is an RMA it relates to the existing OPP and therefore reflects the approach agreed in 2015 to have an affordable housing

level of around 20 per cent on phase one and 35 per cent across the site. This was agreed by the previous Mayor in 2015. The RMA is not referable to the GLA for planning consideration but will be determined by LB Newham.

- 2.4. Whilst the level of affordable housing (and other matters) do not reflect the current Mayor's approach, it is important to ensure that development begins on this site and that some crucial momentum is achieved after decades of underuse. The first phase is sizeable but also includes crucial infrastructure that unlocks the rest of the site.
- 2.5. Given these circumstances, TSP will submit their RMA for phase one in line with contractual milestones to allow them to proceed with a start on site in 2020.

Proposed approach beyond phase one

- 2.6. Beyond phase one, it is proposed that GLAP work with TSP on a revised OPP for the project within the parameters set out in the MDA. This will allow the parties to make the following improvements to the scheme whilst maintaining the original objectives of the procurement:
- Affordable housing – the level of affordable housing consented to by the previous Mayor should be increased to reflect London and Newham's need. There is a commitment from TSP supporting the objective of increasing the affordable housing elsewhere on the site to reach an average of 50 per cent affordable housing across the development and to work with GLAP to take the necessary steps to achieve this.
 - Mix of uses – the original aim of creating a new heart for the Royal Docks remains but the means to achieve this will be reviewed to reconsider the exact split between residential and non-residential floorspace. This will need to be done through an appropriate design-led approach in line with the London Plan and Newham's Local Plan.
 - Transport – the current OPP reflects car parking standards and transport assessments based on the old London Plan. Updating these to reflect current policy will reduce car dependency and reflect the opening of the Elizabeth Line at Custom House, investment in new rolling stock for the DLR, and improvements to the capacity of Pontoon Dock DLR station.
 - Speed of delivery – by reviewing the phasing plan and distribution of uses across the site it may be possible to accelerate the overall programme for the project.
- 2.7. These changes will be considered within the existing contractual framework and are likely to result in the submission of a new planning application for the remainder of the site, which will be referable to the GLA. It will need considerable work by TSP and full consultation with the local community and Royal Docks stakeholders, LB Newham, TfL and GLA.
- 2.8. The impact of these changes will need to be assessed against the current commercial deal with TSP; an early indication of the financial implications is included in the Part 2 to this MD.
- 2.9. The SQ site is also within the Royal Docks Enterprise Zone and provides a key source of business rate income. The impact of any adjustment in the quantum and delivery timeframe of commercial space will need to be modelled. An initial assessment of the implications is outlined in part 2 of this MD.
- 2.10. A Mayoral Decision that sets out the final recommendation for the revised masterplan and detailed commercial implications will be presented to the Mayor for approval in a Mayoral Decision in December 2019.

Budgets

- 2.11. To progress the proposed changes to the scheme, budget is required to cover legal and commercial consultant fees. Consultants will be procured in line with the GLA's Contracts and Funding Code.

2.12. Previous Mayoral Decisions have approved the following budgets:

- MD977 – a budget of £230,000 within the overall budget for 2012-13 to meet procurement process costs.
- MD1410 – the receipt of £12m from DCLG's Building Foundations for Growth Enterprise Zones Capital Grant fund.
- MD1410 – the expenditure of £12m towards the enhancement of Millennium Mills.
- An Investment Performance Board Approval in May 2014 for TSP to reimburse approved costs incurred by the GLA up to £150,000 for four years starting from June 2013 (therefore totalling £600,000).

2.13. As set out in the introduction, the MDA includes a mechanism under which TSP will reimburse approved costs incurred by the GLA up to £150,000 per annum. The original MDA anticipated this arrangement would cover financial years 2014-15, 2015-16, 2016-17, and 2017-18. Under the change of control proceedings in May 2018, this arrangement was re-established for another four years from March 2018.

2.14. This Mayoral Decision seeks authority to spend £150,000 per annum from 2018-22 on approved project costs, and equivalent reimbursement annually by TSP.

2.15. GLAP will follow all internal accounting procedures related to the above income and expenditure.

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 Black, Asian and Minority Ethnic groups and women.
- 3.3. The development of Silvertown Quays will deliver strategic objectives from the Mayor's Equality, Diversity and Inclusion Strategy (section: making London a great place to live).
- 3.4. Officers will be working with the aim of achieving a revised outline masterplan that delivers a minimum of 50 per cent affordable homes on GLA land, in line with the draft London Plan. This will advance equality of opportunity for groups with a protected characteristic.
- 3.5. The London Borough of Newham is one of the most disadvantaged boroughs in London and one of the most diverse in terms of faith and ethnicity. It is paramount to redevelop this key strategic site in the Royal Docks in a sustainable way and consider how the regeneration of the area will provide benefits for all local communities. The outline masterplan will be designed to respond to the diversity of the surrounding area and in the design of the landscape and homes, will follow all relevant building regulations to create an accessible development in the Royal Docks.

- 3.6. There is a high proportion of young people in the London Borough of Newham compared to other London Boroughs. The play space, landscaping and education facilities will create opportunities for communities to come together and foster good relations between diverse groups.
- 3.7. The proposals in this paper have no negative impact on those with protected characteristics. The GLA's assessment is that this initiative will not have an adverse effect on any groups with a protected characteristic and will assist in fostering good relationships between groups.
- 3.8. All tender processes for consultants will conform with The Equality Act and will have no negative impact on those with protected characteristics.

4. Other considerations

- 4.1. This decision outlines an opportunity to comprehensively redevelop a significant brownfield site in East London and make the best use of GLAP land.
- 4.2. The revised outline masterplan for Silvertown Quays will contribute towards implementing a number of the Mayor's policies, such as those outlined in the new draft London Plan, A City for All Londoners, Healthy Streets Approach, Culture Strategy, London Housing Strategy, Transport Strategy and is aligned with the Mayor's Equalities Framework to consider the requirements of relevant equalities groups.
- 4.3. As the project sits on GLA owned land, when the GLA considers the planning application, the Mayor will delegate authority to the Deputy Mayor for Planning, Regeneration and Skills, as is the protocol in these scenarios.
- 4.4. There are no conflicts of interest to note for any of those involved in the drafting or clearance of the decision.
- 4.5. See part 2 for project risks.

5. Financial comments

- 5.1. This decision requests approval for expenditure of £600,000 from GLAP to cover legal and commercial fees related to Silvertown Quays from 2018-23.
- 5.2. This expenditure will be funded by £600,000 income from The Silvertown Partnership (TSP) over the period 2018-22.
- 5.3. Further financial comments on the financial impact of moving to a new masterplan with 50 per cent affordable housing for the site are set out in Part 2 of this decision.

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.
 - 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 Mayor falls within the GLA's statutory powers.

7. Planned delivery approach and next steps

7.1. The planned delivery approach and next steps for the project are outlined in the table below.

Activity	Timeline
Submission of RMA for Phase One	Sept 2019
Agreed revised Business Plan	Dec 2019
Mayoral Decision on Business Plan	Dec 2019
Phase One RMA determined by LBN	Spring 2020
Submission of revised Outline Planning	Mid/Late 2020
Start on site Phase One	Late 2020
Outline Planning determination	Late 2020

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? YES**

It is requested that this MD is held from publication until the phase one reserved matters application is validated by the local planning authority.

Until what date: 31/10/2019

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:

Bethan James has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Rickardo Hyatt 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 30 September 2019.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. D. Allce

Date

30.9.19

CHIEF OF STAFF:

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

Signature

D. Bellamy

Date

30/9/2019.

