

REQUEST FOR DIRECTOR DECISION – DD2260

Title: Disposal of land interest at Here East

Executive Summary:

The London Legacy Development Corporation (LLDC or Legacy Corporation) is seeking consent to dispose of its interest at Here East in Queen Elizabeth Olympic Park at a future point in time for market value to support the V&A's relocation of its Blythe House reserve collection to Here East as part of East Bank (previously known as the Cultural and Education District). Consent is required as this involves a 'land transaction' as defined by clause 2 of the National Lottery Funding Repayment Agreement (NLFRA): under paragraph 4.5 of the GLA's Corporate Governance Direction to the LLDC (approved by MD1227), such 'land transactions' can only be entered into by the Legacy Corporation with the Mayor's prior consent. Consent can be given on behalf of the Mayor by a specified senior officer, as per the Governance Direction and Mayoral Decision-Making in the GLA (MD2085)

Decision:

That the Executive Director of Resources consents to:

LLDC entering into an agreement granting an option to the current long leaseholder, which would commit LLDC to extend the term of the current lease from 200 years to 999 years (and therefore effectively dispose of its economic interest), in Here East at Queen Elizabeth Olympic Park at a future point in time for a capital sum. LLDC would only be obliged to dispose of its interest if the option is exercised and certain conditions are satisfied.

This transaction supports the V&A's relocation of its Blythe House reserve collection to Here East as part of the overall East Bank project.

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: Martin Clarke

Position: Executive Director of Resources

Signature:



Date:

3. 7. 18

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. In May 2014, the Mayor approved (under DD1198) the LLDC's granting of a lease to iCity for the former Press and Broadcast Centres on Queen Elizabeth Olympic Park, of which LLDC is the freehold owner. This consent was required under 4.5 of the LLDC governance direction 2013 (MD1227) as it was a land transaction under National Lottery Agreement.
- 1.2. In February 2018, the Mayor approved (under MD2234) the LLDC's entry into an Agreement for Lease (Afl) with the V&A for premises at Stratford Waterfront as part of East Bank within Queen Elizabeth Olympic Park. There were several conditions that needed to be satisfied before the Afl could be signed, including the finalisation of the terms for the V&A's relocation of its Blythe House reserve collection to Here East. This relocation was conditional on LLDC agreeing to commit to, in effect, to disposing of its remaining economic interests in Here East at a future point in time, subject to the satisfaction of certain conditions. The terms have now been agreed.

2. Objectives and expected outcomes

- 2.1. East Bank at Queen Elizabeth Olympic Park is a new centre of culture, education, innovation and growth. East Bank will be spread across three sites – UCL East, Stratford Waterfront (BBC, the V&A including a partnership with the Smithsonian Institution, Sadler's Wells and UAL's London College of Fashion) and Here East (the V&A's new Collection and Research Centre, and an existing space for UCL).
- 2.2. East Bank will support LLDC's ability to deliver a meaningful and sustainable legacy from the London 2012 Olympic and Paralympic Games by creating an exciting new district of London, providing a unique offer to residents and visitors. East Bank will support wider economic growth, greater access to education provision, as well as new skills and employment opportunities, generated by a strong visitor economy and an innovative learning and research location for inward investors. It supports a range of priorities including:
 - economic growth
 - enhanced education and skills levels
 - sustainable local jobs
 - raising local aspirations
 - supporting the delivery of a successful and accessible Park
 - helping to redefine Stratford's place in London's economy, as a new heart for east London
- 2.3. The V&A is the world's leading museum of art and design with collections unrivalled in their scope and diversity. V&A East will offer a new model for exploring its world-renowned collection of art, design and performance at the heart of east London. A dynamic new museum, it will inspire and empower the next generation of artists, designers and innovators; support and promote the creative industries; and enable audiences to discover the value of creativity and design. The provision of funding, if required, would contribute to the successful operation of V&A East. The scheme includes:
 - a new museum where visitors can explore the V&A's collections, meet, socialise, and take part in events
 - pioneering exhibitions, gallery displays, and community activities

- spaces for community-led projects, residencies, installations, and emerging design talent
- a co-curated programme with the Smithsonian Institution

3. Equality comments

- 3.1. LLDC's priority theme of championing equalities and inclusion was taken into account in the development of the proposition for East Bank, in consultation with all the project partners. LLDC will ensure that equalities, access and sustainability considerations are applied to procurement, employment, participation and inclusive design as required throughout the project.
- 3.2. The GLA and LLDC are public body with a statutory duty to promote equality, tackle discrimination and promote good relations between different groups of people with protected characteristics. LLDC undertook a strategic equality impact assessment on its renewed priorities, including its emerging five-year organisational strategy and the East Bank plans. As part of this process, LLDC consulted with equality groups and tested whether its approach is helping to promote its equality priorities. The outcomes of the strategic equality impact assessment in relation to the East Bank have been used to inform the planning process and public consultations. The Mayor is under the same duty. It is anticipated that there will be no adverse impact on equalities issues and any protected characteristic groups.

4. Other considerations

a) Key risks and issues

- 4.1. There are a number of risks that have been identified that are typical of a project of this scale and complexity. These are covered in the part 2 element of this form.

b) Links to Mayoral strategies and priorities

- 4.2. This proposal will support the Mayor's priorities:
 - a cleaner, greener London
 - making the most of arts, culture and creativity
 - a fairer and more equal city
 - business, prosperity and opportunity

c) Impact assessment and consultations

- 4.3. An economic impact assessment was undertaken as part of the East Bank Outline Business Case submitted to Government. It showed that the project will generate 1,500 direct jobs (plus indirect jobs and an estimated 15,000 job years during construction), 1.5 million additional visitors and £1.1 billion of economic net present value to Stratford and the surrounding area (based on a new method of valuation from the Government).
- 4.4. LLDC's Board and Investment Committee, TfL Legal and external legal advisors were consulted during the development of the AfLs.

5. Financial comments

- 5.1. These are set out in part 2 of this decision.

6. Legal comments

6.1. The relevant legal considerations are incorporated elsewhere in this form.

6. Planned delivery approach and next steps

Activity	Timeline
V&A enters lease for V&A East and LLDC agrees option to dispose of Here East interest	July 2018
Delivery Start Date – V&A East open to public at Here East	April 2023

Appendices and supporting papers:

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? Yes**

If YES, for what reason: Until the agreements have been signed.

Until what date: 31 July 2018

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:

Tim Somerville, with input from LLDC, has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service:

Tom Middleton 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.

✓

Corporate Investment Board:

The Corporate Investment Board reviewed this proposal on (insert date)

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

3. 7. 18

