

**Subject:** Future of LLDC: Update on progress  
**Meeting date:** 21 November 2022  
**Report to:** LLDC Board  
**Report of:** Lyn Garner, CEO

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**This report will be considered in public**

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## **1. SUMMARY**

- 1.1. This paper seeks to update the Board on the wide range of activity happening across the Transition Programme over recent months, and in particular, the Mayor of London's approval of the Board recommendations on the future of LLDC.

## **2. RECOMMENDATIONS**

### **2.1 The Board is asked to:**

- 2.1.1. Note that the Mayor of London has approved the Board's recommendations on the future of LLDC via the Mayoral Decision process which means: Town planning powers will return to the four neighbouring Boroughs on 1 December 2024; and LLDC will maintain its status as a Mayoral Development Corporation (MDC) beyond 1 April 2025 with a reconstituted Board, governance structure and (subject to consultation) a reduced area.**
- 2.1.2. Note that LLDC will undertake a consultation on the reduced Mayoral development area on behalf of the Mayor of London and will report back to him with the findings for a final decision.**
- 2.1.3. Note that the agreed strategic focus for LLDC from 2025, which has been discussed with the GLA and will inform ongoing work to shape the future organisational structure.**
- 2.1.4. Note the work underway within LLDC to support our people through this period of change.**
- 2.1.5. Note the ongoing collaboration between the Boroughs and LLDC in relation to the transfer of town planning powers and Inclusive Economy.**

## **3. BACKGROUND**

- 3.1. Work has been ongoing for some time to prepare for the next phase of LLDC, with regular updates presented to the Board for discussion and approval. Guiding all decision-making is an agreed set of principles which set out that the oversight and operation of Queen Elizabeth Olympic Park (QEOP) must retain the integrity and quality of the estate, carry the flame of the regeneration vision and be democratically accountable and financially self-sustaining.
- 3.2. So far, the LLDC Board has agreed:
- 3.2.1. That it is important for there to be a coherent, long-term approach to estate management based on the Great Estates principle and holding the land in

QEOP as a contiguous whole. It remains key to promote the QEOP estate as a place for future inward investment and realisation of legacy, social and economic aims.

- 3.2.2. That town planning powers should be handed back to the relevant Boroughs by the end of 2024 (see town planning section for an update on this date) and practical steps will be taken to enhance collaboration between LLDC and the Boroughs in the lead up to ensure a smooth handover.
- 3.2.3. That LLDC will remain a Mayoral Development Corporation (MDC), and a functional body of the GLA, beyond 1 April 2025 with a reconstituted board, governance structure and (subject to consultation) reduced area.
- 3.2.4. From 2025 LLDC will continue to be responsible for the realisation of legacy commitments and will have Inclusive Economy hardwired into its strategy. Responsibilities will include:
  - Estate and neighbourhood management.
  - Commercial and asset management.
  - Strategic oversight to ensure all elements of its work contribute to an Inclusive Economy, and to encourage and support QEOP partners to work collaboratively with each other and the Boroughs and local communities to contribute to an Inclusive Economy.
  - Completion of the development programme for LLDC owned sites, which will reduce over time until construction is complete around 2032.
- 3.2.5. The proposed reduced Mayoral development area should comprise land which is owned, operated or managed by LLDC. The broader surrounding area, where LLDC currently has town planning powers, should no longer be within the boundary (subject to consultation – see section 5).
- 3.2.6. From 1 April 2025 LLDC will have a skills-based Board of at least ten members appointed by the Mayor of London and reflecting east London's diversity, comprising: an independent Chair; a nominated representative of the Mayor of London; the Mayors of the three Boroughs that the revised MDC area will cover or their nominated representatives; and no less than five independent Board members recruited based on an assessment of skills required (including at least one young person).
- 3.2.7. From 1 April 2025 LLDC will have a streamlined governance structure in line the reduced geography and size of the organisation. The committee structure will reduce from six to three (Audit, Inclusive Economy and Investment). The Inclusive Economy Committee will be chaired by one of the Borough representatives on the LLDC Board.

#### **4. MAYORAL DECISION 1, SEPTEMBER 2022**

- 4.1. All recommendations outlined above have been discussed with, and agreed by, the Mayor and GLA, as well as the Growth Boroughs. Specific items required formal Mayoral approval, which was taken forward via the Mayoral Decision process. Mayoral Decision MD3015 was approved in September 2022, confirming:
  - 4.1.1. That LLDC will remain a Mayoral Development Corporation with a reconstituted Board and governance structure, and (subject to consultation) a reduced Mayoral development area.
  - 4.1.2. That town planning functions will be returned to the four neighbouring Boroughs on 1 December 2024 and that LLDC be authorised to negotiate and prepare a statutory transfer scheme in relation to the transfer of planning-related matters.

- 4.1.3. That the Mayor authorises LLDC to undertake a consultation on the Mayor's proposals for a reduction in LLDC's Mayoral development area and to report back to the Mayor on the consultation in due course.
- 4.2. This marks a significant moment in the planning for the future of LLDC. It provides the mandate to move forward with operational matters to ensure the changes are well managed, communicated and embedded. This position has been communicated with our key stakeholders and the Mayoral Decision has been published on the GLA website.
- 4.3. There will be two further Mayoral Decisions. The second will be on completion of the Mayoral development area consultation and the third will relate to the statutory transfer scheme. These will be progressed during 2023.

## 5. REDUCED MAYORAL DEVELOPMENT CORPORATION AREA

- 5.1. A core part of the proposed future LLDC is the reduction in size of the current Mayoral development area. This has been agreed in principle by the Mayor of London but is subject to consultation.
- 5.2. There is agreement between the LLDC Board, GLA and key stakeholders that from 2025 the MDC boundary should be focused on the core area where LLDC owns and/or manages or operates land, with the broader surrounding area (where LLDC currently has town planning powers) removed. The proposed map can be found at appendix 1.
- 5.3. The Localism Act 2011 provides that the Mayor may exclude land from an approved Mayoral development area and so re-draw the boundary, but before doing so he must consult the London Assembly and 'any other person whom he considers it appropriate to consult' on the new boundary proposals.
- 5.4. The Mayor has requested that LLDC carry out this consultation on his behalf and the consultation document has been drafted and is currently in the approval process. This is a focused, technical consultation which will be published on the LLDC website and flagged with the London Assembly and key stakeholders.
- 5.5. The consultation is due to be published in the coming weeks. Consultation responses will be analysed and a recommendation put to the Mayor who will then decide whether or not to approve the proposed new boundary (via a Mayoral Decision). Once this decision is made it will be publicised and the Secretary of State for Levelling Up, Housing and Communities will be notified in order to bring forward the relevant legislative arrangements.

## 6. FUTURE LLDC

- 6.1. The current vision for Queen Elizabeth Olympic Park provides a clear horizon to 2030, and the existing Queen Elizabeth Olympic Park Strategy sets out how LLDC will work with partners to deliver this up to 2025.
- 6.2. As LLDC approaches this next phase, the executive team have been working to define the strategic focus for the organisation from April 2025. This is summarised below and has been discussed and agreed in principle with the GLA.



From April 2025 LLDC will be a smaller organisation without planning functions, however it will be no less ambitious in its objectives. It will focus on advancing excellence and equity at Queen Elizabeth Olympic Park: driving growth and inward investment to east London; overseeing world-class venues and the long-term estate and commercial management of the Park; realising the ongoing delivery of legacy and inclusive economy aims; and driving delivery of high standard residential developments, including through two joint venture partnerships which will operate for the next ten years.

- 6.3. LLDC will continue to be an advocate and leader for regeneration in east London but the intention is that it will move from a model of direct delivery of socio-economic programmes to one of strategic leadership (together with the Growth Boroughs), with a more prominent delivery role for East Bank and other business, academic and cultural partners, and local communities. Work is underway to define the expectations that will be placed on partners to step up their role in delivering the long-term vision for the Park from 2025, and to explore, and attempt to mitigate, the risks associated with this.
- 6.4. LLDC will be a more commercially focused organisation from 2025, driving down costs and working with private, public and community sector partners to realise mutual benefits, deliver inclusive economy ambitions, and reduce the reliance on public subsidy.
- 6.5. This strategic focus has informed initial work on a functional model for the future LLDC (see appendix 2). This is subject to ongoing review, not least because there are a range of issues that still need to be resolved which are likely to affect resource requirements, including:
  - Work with Growth Boroughs to agree an **Inclusive Economy Strategy** with collective ambitions, levers for delivery and reporting mechanisms
  - Agree the **role of partners in delivery**; discussions in relation to Inclusive Economy are progressing but there is less certainty in other areas. This is a key risk to the delivery of strategic objectives in the long term. In terms of infrastructure projects, the assumption is that LLDC will not have a long-term role in the redevelopment of Stratford Station and in delivering connectivity projects but it is imperative that robust plans are in place to ensure that others take on leadership of this work.
  - The **Park Business Plan** will articulate the long-term approach to asset development and management, and level of resource needed to service this
  - LLDC will continue to be an exemplar on the route to Net Zero. The **shape and scope of the response to the climate emergency** is currently under discussion across the GLA family.
  - The need to understand how the **new operational contracts and joint venture arrangements will work in practice**.
  - The need to understand the future of **London Stadium operating arrangements**.
  - Once the above is clearer, we need to consider the **approach to corporate services** – what is the potential for collaboration / shared service.
- 6.6. As outlined in the background section, the LLDC Board have already agreed changes to the Board and governance structure in line with the reduced geography and size of the organisation from 2025.

## **7. TOWN PLANNING TRANSFER**

- 7.1. LLDC continues to work closely with the Growth Boroughs on a range of collaboration activities to ensure a smooth transfer of town planning powers, and agreement has now been reached to a specific handover date of 1 December 2024. Following the Mayor of London's decision under MD3015, and in line with the Localism Act 2011, the Mayor has written to the Secretary of State for Levelling Up, Housing and Communities to ask him to make the necessary legislative arrangements to transfer LLDC's town planning powers to the relevant Boroughs on 1 December 2024.
- 7.2. LLDC and Borough Heads of Planning meet regularly, and recent progress includes:
- A Collaborative Development Management working group is managing the process of the handover of planning applications and related processes including any transfer of design, inclusive design and community review panels; this is in addition to the quarterly meetings with individual Boroughs to discuss major planning applications and detailed Borough involvement in their assessment.
  - Data transfer work is well underway with workshops held with all Boroughs and individual data transfer plans and agreements shared.
  - Planning Policy Forum continues to meet regularly to work through planning policy issues including work on Local Plans alongside CIL and s.106 handover
  - Engagement with DLUHC (Department of Levelling Up, Housing and Communities) officials on the planning powers transfer statutory instrument preparation.
  - Preparation of bespoke handover to each Borough in relation to the complexities of the multiple Olympic and Legacy Communities masterplan planning permissions.
- 7.3. Significant work has been undertaken to understand the people issues in relation to the transfer of town planning. Based on advice from TfL Legal, it is unlikely TUPE<sup>1</sup> regulations will apply, However, there is a Statement of Practise from the Cabinet Office which provides best practice guidance on how transfers should be applied to employees in the public sector. This offers similar protections as TUPE. There are ongoing discussions with Boroughs on approach to the transfer and how this might apply to employees of LLDC. Boroughs are procuring their own legal advice and we are working collaboratively to agree a position by the end of 2022 on the processes to be applied if there is to be a transfer of staff.
- 7.4. As TUPE is unlikely to apply, we may be able to offer redundancy or redeployment options to LLDC planning staff. There are still a number of issues that need to be addressed before we can confirm this position and we are continuing to work with the Boroughs and legal advisors.

## **8. INCLUSIVE ECONOMY**

- 8.1. The LLDC Board has agreed Inclusive Economy will to be at the heart of the next phase of LLDC. As outlined above, the organisation will move from a model of direct delivery of socio-economic programmes to one of strategic leadership together with the Growth Boroughs, and a more prominent delivery role for East Bank and other business, academic and cultural partners, and local communities.
- 8.2. LLDC will focus, with the Growth Boroughs, on:
- Setting a vision and strategy for how Queen Elizabeth Olympic Park can contribute to an Inclusive Economy in the four Growth Boroughs
  - Ensuring that all elements of LLDC's work after 2025 contribute to an Inclusive Economy

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<sup>1</sup> Transfer of Undertakings (Protection of Employment)

- Encouraging and supporting QEOP partners to work collaboratively with each other and with the Boroughs and local communities to contribute to an Inclusive Economy.
- 8.3. The Boroughs and LLDC have a shared ambition to maximise local benefits from the ongoing development and operation of Queen Elizabeth Olympic Park post 2025 and this ambition is reflected in the agreed long-term vision for the Park (see section 6).
  - 8.4. As a partnership, we have made significant progress in this area to date. We have a well-established and well-regarded approach to Inclusive Growth and have developed a successful Inclusive Growth programme that has led the way in challenging traditional barriers into sectors as varied as construction in the built environment and cultural industries for traditionally under-represented groups.
  - 8.5. Despite this success, there is much more to do to ensure that the full benefits of the Park's development are felt by as many local residents as possible. In particular, the Growth Boroughs and LLDC have agreed to focus efforts on an 'Inclusive Economy' approach to ensure that the significant economic growth happening and planned in east London - including at QEOP - combines increased prosperity with greater equality, creates opportunities for all, and distributes the benefits of increased prosperity fairly.
  - 8.6. This change in focus requires LLDC and Borough officers to assess and agree what resource, levers, controls and mechanisms are required by, and potentially available to, LLDC from 2025 to ensure the successful delivery of the stated priorities and associated activities. To support this, a piece of work was jointly commissioned to develop a 'shared narrative' that articulates joint Inclusive Economy work and ambitions and describes how the Park's assets do/can support those ambitions. In turn, a further piece of work will be undertaken to create a 'shared dashboard' to capture joint Inclusive Economy activity and to better demonstrate impact.
  - 8.7. A presentation was made to the Board at its meeting in September 2022 which set out the progress made and shared the clear direction of travel. The emerging thinking is that an inclusive economy will be defined by:
    - **Livelihood Security** – developing a shared understanding of the minimum standard of living for people living in east London. This will place greater value on economic fundamentals such as health and wellbeing.
    - **Environmental Consciousness** – working within the limits of what is appropriate, creating new systems to support circular and regenerative economics
    - **Park as a conduit** – innovating from the centre of the Park, creating new ideas which are scaled in areas which need it most.
  - 8.8. The shared Inclusive Economy strategy will:
 

“Place **social innovation**, derived at QEOP at the heart of the regional solution. **Collaborate**, using the next two years' as a period of **experimentation**, to inform the longer term project. Create stronger **partnerships**, reaching **into communities of need**. See the Park and future LLDC as a conduit for the scaling / spin out of ideas across the Growth Boroughs”
  - 8.9. There is an ambition, which was ratified by the Board in September 2022, to use the next two years as a period of experimentation. LLDC and Boroughs are keen to identify a small number of Inclusive Economy priorities to test during this proposed two-year 'Social Innovation' trial period.
  - 8.10. In addition, LLDC and Boroughs will continue to explore opportunities to join up and scale existing programme activity and resources to help deepen reach into communities through a process of co-design.

- 8.11. LLDC's Regeneration and Community Partnerships directorate will continue work on its 'Getting There' Plan which sets out its plans to transfer responsibility for Inclusive Economy to other LLDC functional areas, the Boroughs and Park partners.
- 8.12. It is worth noting that the move away from direct delivery by LLDC of socio-economic programmes brings with it significant risk. It relies on partners having the appetite, capacity and capability to take on an enhanced role, of which there is not yet firm evidence. This could put at risk the ability to ensure that the benefits set out in the shared Inclusive Economy strategy are delivered for the communities of east London. LLDC is in dialogue with the Growth Boroughs and the GLA to explore and consider options for mitigating this risk.

## 9. SUPPORTING OUR PEOPLE

- 9.1. Ensuring our people are supported and our workforce is stabilised through this period of change is a key priority for this work programme.
- 9.2. Our People and Organisational Development Team are leading a range of activities and interventions to ensure our people are supported to thrive today and prepare for tomorrow. Many activities are part of normal good practice for any organisation and, given the planned changes within LLDC, our People Strategy is oriented to ensure support through change. Activities include;
  - 9.2.1. **Individual career development plans** to support career planning and self-development activity.
  - 9.2.2. **Refreshed learning and development programme** that is focussed on experiential learning and promotes self-led career development, supported by a culture of coaching and a suite of resources. Programme includes **focused learning opportunities** like change management, leadership, performance development, feedback, coaching and constructive challenge.
  - 9.2.3. Structured, organisation wide **succession planning** which will help us to better use our tools and resources to support people with development.
  - 9.2.4. Currently procuring a supplier to co-deliver an organisation wide programme focused on **leadership and cultural development**, with a strong focus on change, which will provide clear transferable skills and development for all colleagues.
  - 9.2.5. Continue to prioritise **health and wellbeing** activities, including a focus on financial wellbeing given the current macro context.
- 9.3. We have a structured programme of internal engagement in place and have implemented Town Hall sessions, hosted by LLDC CEO, which brings all our people together, in person, at key moments to receive updates on progress on planning for the future LLDC and to provide an opportunity to ask questions.
- 9.4. Ensuring we retain and attract the best people remains a priority and work is underway on our Employee Value Proposition (EVP). This is about being clear on the organisation's core benefits that make up the employer brand and demonstrating what LLDC can offer our people in exchange for their talent, skills and experience.
- 9.5. Recognising that we will lose roles as we get towards 2025, in addition to the support outlined we are actively working with GLA on how to retain and redeploy talent within the GLA family of organisations.

## 10. BOROUGH COLLABORATION

- 10.1. Collaboration with the Boroughs continues to be a strength of the programme with each of the Boroughs committing significant resource to ensure the workstreams continue

apace. Key issues are discussed with the Growth Borough Partnership and / or the Borough Transition Group to ensure alignment and a range of collaborative operational working groups are in place.

- 10.2. In October 2022, Deputy Mayor Jules Pipe, Borough leaders and LLDC signed a Memorandum of Understanding which outlines how the three parties will continue to collaborate over the coming years and to articulate the shared commitment in continuing to drive transformational change across east London.
- 10.3. The MOU focuses on ensuring residents continue to benefit through place-making, place leadership, management of the Park estate and inclusion. The key areas for collaboration focus on:
  - Aligning strategic plans through a GBP and LLDC joint approach to Inclusive Economy to ensure local communities continue to benefit from development and growth on and around the Park
  - The transfer of town planning powers from LLDC back to the respective boroughs
  - Working together to ensure the Park is retained as a 'Great Estate' that delivers long-term, financially sustainable, social and economic benefits for local people

## 11. FINANCIAL IMPLICATIONS

11.1. There are two areas of financial implication for this work programme:

11.1.1. **Costs of Transition:** these are the direct costs of the programme – for example, the cost of professional advice (such as legal, HR and tax), project and staff-related costs (such as pension and redundancy costs). Provisions for such costs were included within LLDC's approved 2022/23 budget submission and these estimates have been revisited as part of the 2023/4 budget submission, which is being presented to Board in November 2022.

11.1.2. **LLDC budget from 2025:** this is the ongoing budget required for LLDC from 1 April 2025 onwards, reflecting that it will be a smaller organisation. It also concerns the long-term financial sustainability objective set by the GLA, which is that, ultimately, by the mid-2030s, the requirement for GLA grant funding (excluding the London Stadium) will be eliminated. Key to achieving long-term financial sustainability is the development of the Park Business Plan, which is being led by the Chief Commercial Officer.

## 12. LEGAL IMPLICATIONS

- 12.1. The return of town planning powers and any amendment to the Mayoral development area will need to be put into effect through statutory instruments laid by the Secretary of State at DLUHC. It is anticipated that these will be subject to the negative resolution parliamentary procedure.
- 12.2. An update on progress with the legal transfer of town planning powers can be found in section 7.1. An update on the progress with the amendment to the Mayoral development area can be found at section 5.
- 12.3. As mentioned in section 4.3, there will be two further Mayoral Decisions. The second will be on completion of the boundary consultation and the third will be regarding the statutory transfer scheme. The statutory transfer scheme will outline the transfer of town planning related matters to the Boroughs eg records, live planning applications and enforcement cases, appeals and staff (if applicable) and will be developed in collaboration with the Boroughs. Both Mayoral Decisions will be progressed during 2023.



12.4. TfL Legal continues to provide legal advice in a range of areas including; the Localism Act, TUPE, Statutory Transfer Schemes, Mayoral process (eg Mayoral Decisions), etc.

### **13. RISKS**

13.1. Programme risk continues to be managed via a risk register which is summarised in the heat map at appendix 3.

13.2. The heat map shows which period of the programme the risk would impact on (before 2025, before and after 2025, after 2025), current risk ratings and any movement. This shows a number of risks moving down in likelihood, reflecting good progress.

### **14. NEXT STEPS**

14.1. Once the reduced area consultation launches it will be open for two months, this will be followed by analysis of the responses which will inform recommendations to Mayor of London (Mayoral Decision 2).

14.2. If approved, the Mayor of London will then write to the Secretary of State at DLUHC confirming his decision on the boundary change and requesting that he brings forward a statutory instrument to confirm the boundary alteration.

14.3. Work on the future LLDC scale, scope and organisational structure continues with a focus on resolving the outstanding issues. This will inform ongoing work on resource requirements.

14.4. Preparation work on the statutory transfer scheme in relation to the transfer of town planning related matters will be commenced.

14.5. There will be continued collaboration work on Inclusive Economy with Boroughs.

14.6. Ongoing discussions with partners on roles and responsibilities.

### **15. APPENDICES**

15.1 Appendix 1: Proposed revised Mayoral development area map

15.2 Appendix 2: Draft functional model

15.3 Appendix 3: Transition programme risk heat map

#### **List of Background Papers:**

Papers for the meeting of the Board – 15 March 2022

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