

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD243

Title: Queen Elizabeth Olympic Park All-through School Stadium Island Lease

Executive Summary:

This decision seeks consent, under Section 213 of the Localism Act 2011, and Paragraph 4.5 of the London Legacy Development Corporation ("Legacy Corporation" or "LLDC") Governance Direction 2013, to the LLDC Board's decision for the Legacy Corporation to enter into a long term lease as a member of E20 Stadium Limited Liability Partnership (LLP) with the David Ross Education Trust (DRET), for a site on Stadium Island (PDZ3) for delivery of a secondary school, as part of the Legatum Academy All-through Free School, on Queen Elizabeth Olympic Park (QEOP).

The Legacy Corporation has agreed with the planning authority that provision of the All-through Free School will meet its section 106 planning obligations for the Legacy Communities Scheme (LCS) to provide educational provision for the East Wick and Sweetwater neighbourhoods.

The decision is taken by the Head of Governance and Resilience in the GLA's Corporate Management Directorate, under delegated authority from the Mayor, as approved by MD1276.

Decision:

That the Head of Governance and Resilience consents, under delegated authority from the Mayor, to the LLDC Board's decision for the Legacy Corporation, as part of E20 Stadium LLP, to enter into a long-term lease with the David Ross Education Trust (DRET) for the Stadium Island site (PDZ3), for the delivery of a secondary school as part of the Legatum Academy All-through Free School on QEOP.

Approval is required under Section 213 of the Localism Act 2011, and Paragraph 4.5 of the LLDC Governance Direction 2013.

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT:

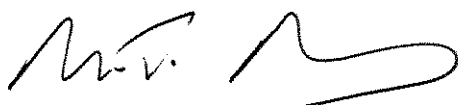
I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Tom Middleton

Position: Head of Governance & Resilience

Signature:



Date:

14.11.14

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 The Legacy Communities Scheme (LCS) planning permission for Queen Elizabeth Olympic Park (QEOP) granted in September 2012, includes a 6 form entry (FE) secondary school located at Rick Roberts Way (Planning Delivery Zone (PDZ) 12), a 3FE primary school at East Wick (PDZ5), and a 3FE primary school at Sweetwater (PDZ4). Collectively these meet the demand for school places generated by the LCS development.
- 1.2 Following an approach to LLDC in February 2013 by the Department for Education (DfE) for a site to support the delivery of a recently approved David Ross Education Trust (DRET) Sports Specialist All-through Free School, the Legacy Corporation commissioned initial feasibility work to assess the suitability of sites on QEOP, and the required budget to deliver the school. The studies indicated that a split-site solution was the only way to accommodate an All-through Free School on the Park, with a secondary school located on Stadium Island, and a 3 Form Entry (FE) primary school at Sweetwater.
- 1.3 The proposal to deliver the All-through Free School, comprising both primary and secondary provision on a split-site, with the secondary school located at Stadium Island instead of at Rick Roberts Way, and Sweetwater primary school comprising of a 2FE instead of a 3FE school, was considered and approved by the Legacy Corporation's Investment Committee on 27 February 2014. The Committee noted that this would require, in due course, amendments to the LCS planning approval and associated s106 Agreement, as well as planning permissions for the new schools, on which the LLDC is currently engaged in discussion with the Planning Policy Decisions Team (PPDT).
- 1.4 The Legacy Corporation's Board subsequently approved the Legacy Corporation entering into two leases with the free school operator (DRET), each with terms until 2125. The first will be for a lease between LLDC and DRET for the Sweetwater primary school site (PDZ4); and the second lease for the Stadium Island secondary school site will be between E20 Stadium LLP, the leaseholder of the Stadium Island site, and DRET. The Legacy Corporation will act as ¹Superior Landlord in the case of the latter. This decision only consents to the LLDC Board's decision for LLDC, as a member of E20 Stadium LLP, to enter into a lease for the secondary school site on Stadium Island. The lease for the Sweetwater primary school site is the subject of a separate decision.
- 1.5 E20 Stadium LLP is a joint venture partnership between the London Legacy Development Corporation and Newham Legacy Investments Ltd., a subsidiary company wholly owned by Newham Council, which was established to manage the Stadium and Stadium Island site. The Partnership has been given a 102 year lease on the Stadium Island site by LLDC, as approved by MD971 on 3 July 2012.
- 1.6 A report proposing the Stadium Island site as the alternative location for the LSC Secondary school was approved by the Planning Decisions Committee on 23 October 2014. At its meeting in June 2014, the E20 Stadium LLP Board approved the Partnership entering into a lease until 2125 with DRET for the Stadium Island site for location of the secondary school.
- 1.7 Section 213 of the Localism Act 2011 and Paragraph 4.5 of the LLDC Governance Direction 2013 require that the Mayor consents to any 'land transactions' as defined in clause 2 of the National Lottery Funding Repayment Agreement. PDZ3 is on land that falls within the purview of the National Lottery Repayment Agreement.

¹ LLDC is the freeholder for the Stadium Island site

2. Objectives and expected outcomes

- 2.1 The Legacy Corporation has always been clear that the delivery of Legatum Academy will need to satisfy the requirements of the LCS planning permission and S106 agreement, as well as its own ambitions for design quality and standards for high quality and accessible buildings in keeping with their immediate surroundings. These aspirations are shared by DRET and E20 Stadium LLP.

Accelerated delivery of the school will support the social infrastructure needs of the LCS's future communities.

3. Equality comments

- 3.1 QEOP lies in one of the most diverse areas of the UK. In addition to its statutory duties, the Legacy Corporation needs to take this diversity into account in order to attract the best talent, to understand how its decisions impact on different communities and groups, and to create and manage community-focused parklands, venues, homes, events, and commercial and retail opportunities.
- 3.2 More specifically, delivering the All-through School early provides social infrastructure to benefit communities around the Park, and will help to integrate existing communities with the new communities. Early delivery of outstanding education facilities on the Park will also make a significant contribution to Convergence by helping to raise aspirations, educational attainment and skill levels in the area.
- 3.3 Designing and building the school in accordance with LLDC's Inclusive Design Standards (IDS) will help the Legacy Corporation meet this priority theme objective 12 of its Ten Year Business Plan to "ensure a successful Paralympic legacy through promoting participation in inclusive sport, delivering inclusive design on the Park and holding the annual National Paralympic Day event", with the design viability work and additional funding helping to achieve this. The IDS is in place to ensure that all buildings developed on the Park meet the highest standards of accessibility and inclusive design. The All-through School is expected to meet the IDS where applicable. Doing so will deliver an accessible school building that further enhances the accessibility of the wider Park.
- 3.4 Undertaking an Equalities Impact Assessment as part of the planning requirements for the new school will also help ensure that it is welcoming and accommodating for all members of the community from the outset, without the need for any overlay or future adaptations.
- 3.5 Accessibility is a priority for LLDC, hence it ensures the IDS are met as far as is possible, and will consult with its Built Environment Access Panel (BEAP) on proposals for the new school. The site is challenging from a physical access point of view hence the importance of getting this right. However, more widely, providing an accessible school helps to deliver more opportunities for the diverse local community.
- 3.6 E20 Stadium LLP will deliver a programme of sports, community, cultural and commercial events, allowing year round community access.

4. Other considerations

a) key risks and issues

The Legacy Corporation has identified this aspect of work as low risk as requirements in the LCS means that the 2nd primary school and secondary school do not have to be delivered until 2026 and 2025 respectively, so any delays would have limited impact on LLDC and the implementation of the LCS planning permission. Also under the Education Funding Agency (EFA) procurement route the contractor takes all risk including any cost over runs.

The main risks on this project, which the Legacy Corporation is actively seeking to mitigate through robust mitigation plans and continuous monitoring, are:

- 1) Programme Risk: risk that programme slippage will cause delays to the delivery of the All-through School and DRET's draw-down of EFA grant funding and the ability to hit key milestones in the Stadium Island development. The project team is continuously monitoring the programme to ensure continuity and coordination with the Stadium transformation works in order to mitigate this risk.
- 2) Budget and Design Risk: the budget is constrained and there is a risk that value engineering exercises will decrease the design quality of the school, impacting on the Legacy Corporation's aspirations for the school and impacting on the reputation of LLDC. The Legacy Corporation is not anticipating taking on the liability should the project go over budget and the delivery route selected for the school puts all risks, including any cost overruns with the contractor. This is covered in the EFA's contract with the contractor.
- 3) Planning Risk: this project will require changes to the LCS planning permission. Early discussions with the Planning Authority have taken place and the planning process has been taken into consideration in the All-through School programme.
- 4) Operational Integration Risk: There will be operational challenges co-locating the school with the Stadium on the Island. There have been consultation sessions between the school, the E20 Stadium LLP and stakeholders to help ensure the Stadium can deliver its event profile and school its curriculum. The risk is further mitigated by the respective technical delivery teams working closely. The E20 LLP has agreed Heads of Terms with DRET.

b) links to Mayoral strategies and priorities

The Mayor's London Plan states that: "The Mayor will work with partners to develop and implement a viable and sustainable legacy from the Olympic and Paralympic Games to deliver fundamental economic, social and environmental change within East London, and to close the deprivation gap between Olympic host boroughs and the rest of London. This will be London's single most important regeneration project for the next 25 years". Delivery of the All-through School supports the policy objectives set by the Mayor of London and government to increase the number and quality of school places in areas of greatest need, either current or projected and, in doing so, makes a significant contribution to Convergence. The delivery of good quality education facilities on the Park, will also help to raise aspirations, educational attainment and skill levels in the area.

DRET already has a number of schools with ratings of good or above. It has an aspiration for this school to become outstanding within 5 years of operation, and is committed to improving academic performance by focusing on sustainable improvement in four key areas:

- Supporting leadership teams in securing high quality monitoring
- Focusing relentlessly on literacy
- Coaching and professional development for the very best teaching and learning
- Sport and enrichment programmes that underpin engagement with schooling and raise ambition

c) impact assessments and consultations.

As noted above, an Equalities Impact Assessment will be undertaken as part of the planning requirements for the new school.

The following consultations have, or will be taking place:

- Continuous consultation with the EFA as the Legacy Corporation is using the EFA’s Contractors Framework to deliver the school;
- The Free School operator (David Ross Education Trust) has been involved throughout the early stages of the development process;
- The Legacy Corporation’s Quality Review Panel received a presentation on the project in October 2014;
- An Education Working Group is currently being established by LLDC where formal consultation with the local boroughs (Newham and Tower Hamlets) and other key educational stakeholders will take place;
- LLDC Board and Investment Committee have been briefed on the project during its development, and the LLDC Board approved the LLDC, as part of the E20 Stadium LLP, entering into the lease with DRET for the Stadium Island site at its Board meeting on 22 July 2014.
- E20 Stadium LLP Board has also been briefed on proposals for the school. The LLP Board has agreed to officers entering into negotiations on the terms of the lease on its behalf.

It is not considered that the Mayor need undertake any additional impact assessments or consultations in respect of this specific decision.

5. Financial comments

- 5.1 LLDC has committed £3.7 million as a contribution to the delivery of the school which has been budgeted for as part of its long term spending plans and taken into account in the GLA’s own funding plans for its support to the Corporation. The overall level of capital receipts from land that falls within the purview of the National Lottery Repayment Agreement has been taken into account in the development of LLDC’s 10 year business plan which is subject to separate approval by the Mayor.

6. Planned delivery approach and next steps

Activity	Timeline
ITT Invitation to Tender for contractor	August 2014
Tender evaluation and selection of contractor	September- October 2014
Finalise contractors proposals	January 2015
Obtain planning approval	March 2015
Construction period	2015-2016
Practical completion of the school	2016/17

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? YES

If YES, for what reason:

LLDC is still in negotiations over Heads of Terms with the developer, and therefore publication may impact on commercial discussions.

Until what date: (a date is required if deferring): To be reviewed at the end of 30 November 2014.

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 – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Katherine Talbot has drafted this report in accordance with GLA procedures and confirms that the Finance teams have commented on this proposal as required, and this decision reflects their comments.

✓

HEAD OF GOVERNANCE AND RESILIENCE:

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

Signature:



Date:

14.11.14