

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2179

Title: Silvertown Quays – V22 site activation

Executive Summary:

GLA Land and Property Limited (GLAP) and The Silvertown Partnership (TSP) (the GLA's development partner for Silvertown Quays) have been approached by V22 Limited (V22), a company that delivers temporary affordable workspace and exhibition space for artists and creatives.

V22 wish to deliver such uses at Silvertown Quays under a lease. Such use by V22 of the site would be part of the early activation of Silvertown Quays.

Decision:

That the Executive Director of Housing and Land approves:

1. GLA Land and Property Limited entering into an agreement for lease and a five-year lease with V22 materially on the terms set out in this paper.
2. A budget of £25,000 to fund the installation of a temporary foul sewer on the Silvertown Quays site to facilitate early meanwhile uses.

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: David Lunts

Position: Executive Director for Housing & Land

Signature:



Date: 23.11.2017

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 In 2013 GLAP entered into a development agreement with TSP to deliver a 7.2 million square feet mixed use employment led scheme which includes up to 3000 new homes at Silvertown Quays in the Royal Docks (see Appendix 1 –Site Plan). The project will be delivered on a phased basis over a 15 year period. Meanwhile uses of the parts of the site which are not part of earlier phases are vital to ‘activate’ the site.
- 1.2 Early in 2017, TSP were approach by V22, a private company wholly owned by V22 PLC which currently run seven studio buildings in London and provide affordable workspace for more than 450 artists, artisans and creative practitioners. Many of their buildings also host community spaces, libraries and exhibition venues or are involved in projects around them. V22 wish to take a five-year lease of an area of the Silvertown Quays Site to establish an affordable workspace, exhibition space and ancillary uses for creatives and artists.
- 1.3 GLAP and TSP are both supportive of the proposal, as it is seen as an important part of the early activation of the Silvertown Quays site in advance of and during the crucial phase 1 of the wider regeneration of the 20 hectare site. In addition to providing a positive activation of the site and raising people’s awareness and familiarity of the site as an employment space (a key deliverable of the wider scheme), the proposed temporary uses have the potential to provide future tenants for the permanent scheme’s employment space.
- 1.4 A suitable area of the site has been identified with V22 and agreed with TSP which is not within the current proposed phase 1 and does not cause any interference with the delivery of phase 1. (see Appendix 2 - Proposed Lease Area). An Agreement for Lease and five-year lease has been agreed with V22. To maintain flexibility over the whole of the Silvertown Quays site, GLAP will have the ability to move V22 to another part of the site, subject to V22 securing a suitable planning permission, or, if a suitable planning permission cannot be secured, serve notice to end the lease. The key commercial points are summarised within part 2 of this report.
- 1.5 V22 have secured a five-year temporary planning permission from the London Borough of Newham (LBN) (No 17/01552/FUL) for the proposals and have secured the funding required to deliver the scheme. V22 will be required to apply for a suitable licence from LBN to hold entertainment events to ensure they are managed effectively.
- 1.6 Currently the site does not have suitable sewer foul connections to facilitate this or other meanwhile uses. In order to ensure the activation of the site is forthcoming a suitable level of temporary infrastructure is required. GLAP will install a temporary foul sewer connection at an estimated cost of £25,000 (including fees) from the edge of the site identified for V22 to a connect to the existing foul sewer in North Woolwich Road located to the south. Under the terms of the lease agreed with V22 they will be able to connect to the foul sewer and pay the appropriate connection and usage costs to Thames Water directly.
- 1.7 The cost of the connection will be funded from the underspend from the £12m capital grant awarded by the Department for Communities and Local Government’s (DCLG) Building Foundations for Growth Enterprise Zones fund in September 2014 towards the enhancement of Millennium Mills on Silver Quays. DCLG have agreed that the funding can be used for infrastructure to enable early site activation.

2 Objectives and Expected Outcomes

- 2.1 The early activation of the site will provide much needed affordable workspace within London which is in short supply. This early activation of the site, which has been vacant for 5 years, will create job opportunities for local residents and develop much needed links with local community groups, schools and colleges who will be able to attend exhibitions. It will also be used to provide information on phase 1 of the development and the associated opportunities as they come forward. The proposals also include an events space for exhibitions, screenings, performances, craft markets, works shop and community events which will provide a visitor attraction in the evenings and at the weekends for local residents and attract visitors from other London boroughs to the Royal Docks.
- 2.2 Other meanwhile uses will also be able to connect to the foul as they come forward.

3 Equality comments

- 3.1 The nature of the decisions proposed in this DD are unlikely to have any significant impact on any of the equality groups covered by the Equality Act. The proposal by V22 will provide suitable DDA access to and around the site.

4 Other considerations

4.1 Key risks

If V22 do not secure sufficient occupiers for the units, the project may fail with the containers left on site. However, their funders should be able to dispose of the containers to recoup their own costs, without the GLAP's intervention.

5 Financial comments

- 5.1 This decision requests approval for GLAP to enter into a five-year lease with V22 Limited (V22) to deliver temporary affordable workspace, ancillary uses and exhibition space for artists and creatives on Silvertown Quays.
- 5.2 There are no direct financial implications arising from this agreement. Funding required for the installation of a temporary foul sewer for early meanwhile uses on the site is available from the underspend of the DCLG Capital Funding, as described in Section 1 (paragraph 5) above.
- 5.3 Previous success of V22 in setting up similar schemes across London makes the key risk to GLAP of incurring some clear-up costs (identified in Section 4 above) relatively remote. However, in an unlikely event of it materialising, it is difficult to estimate the extent of GLAP's intervention, as the sale of the containers should cover part (if not all) of the funders' costs.
- 5.4 Further comments in Part 2.

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 Sections 1 - 2 of Parts 1 and two of this report indicate that the decision requested made of the Director falls within the GLA's statutory powers.

7. Planned delivery approach and next steps

Activity	Timeline
Completion of the Agreement for lease and lease	November 2017
Works Start on site	November 2017
Completion of works	March 2018

Appendices and supporting papers:

1. Site Plan
2. Proposed lease area

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

To allow sufficient time to complete the agreement for the lease.

Until what date: 20th December 2017

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:

Paul Guest has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service:

Simon Powell 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 20th November 2017

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. D. Lelle

Date

20.11.17

