

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD1354

**Title: Consultation proposal for Old Oak and Park Royal Mayoral Development Corporation**

### Executive Summary:

Approval is sought to publish and consult on the Mayor's proposals to establish a new Mayoral Development Corporation (MDC) at Old Oak and Park Royal. This MDC would act as the agency responsible for planning and driving the regeneration of Old Oak, Park Royal and the surrounding area. The consultation document sets out the Mayor's proposals, objectives and rationale with the aim, subject to consultation, of the Old Oak and Park Royal Mayoral Development Corporation becoming operational on 1 April 2015.

### Decision:

That the Mayor approves:

- proposals for consultation to establish a Mayoral Development Corporation (MDC) – the Old Oak and Park Royal Mayoral Development Corporation – at Old Oak and Park Royal and surrounding areas, to become operational on 1 April 2015;
- publication of a consultation document which sets out the Mayor's proposals to establish a Mayoral Development Corporation (MDC) at Old Oak and Park Royal, as set out in the Consultation Document attached at Appendices 1 and 2, upon which he wishes to consult applicable persons identified in relevant legislation, Londoners and key stakeholders in accordance with section 197 of the Localism Act 2011.

### 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: 18/6/14

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

### **Decision required – supporting report**

#### **1. Introduction and background**

1.1 The Localism Act 2011 provides the legislative basis for the Mayor of London to designate Mayoral development areas (MD Areas) and to establish Mayoral Development Corporations (MDCs) to drive regeneration in those areas. To assist them in pursuing this purpose, the Localism Act 2011 gives all MDCs wide powers relating to infrastructure, regeneration, development and other related activities. In addition the Act allows the Mayor to grant further powers enabling the MDC to perform some or all of the functions of the local planning authority for the area, and also to grant discretionary relief to non-domestic (business) rate payers.

1.2 The London Plan 2011 identifies Park Royal as an Opportunity Area. In 2011 the Mayor adopted the Park Royal Opportunity Area Planning Framework, which covered both the areas of Old Oak and Park Royal. This planning framework was primarily focussed on the retention and protection of Strategic Industrial Land.

1.3 The proposed draft Further Alterations to the London Plan (FALP) separates out Old Oak and Park Royal into two distinct Opportunity Areas. The FALP continues to promote an industrial focus around the Park Royal area, but promotes a change of use at Old Oak to a more mixed-use residential development. This change in policy direction is aimed at maximising the opportunity of a new High Speed 2 and Crossrail station at Old Oak.

1.4 The Mayor proposes, subject to consultation, to establish a new MDC at Old Oak and Park Royal to drive that area's regeneration. It is intended that the Corporation would come into being and be operational from 1 April 2015.

1.5 Before designating a MD Area the Localism Act 2011 requires the Mayor to consult on his proposals with a range of statutory consultees as well as other stakeholders and the public as he considers appropriate. A Consultation Document (at Appendix 1) has been prepared which sets out the Mayor's proposals, objectives and rationale for establishing the Old Oak and Park Royal Mayoral Development Corporation. It includes a map of the proposed boundary of the MD Area over which the MDC will exercise regeneration powers (see Appendix 2). The document also explains the Mayor's proposals as to whether the MDC is to be vested with powers relating to planning and granting rate relief to non-domestic rates.

1.6 It is proposed that the consultation be carried out for 14 weeks from 16 June to 22 September 2014.

#### **2. Objectives and expected outcomes**

2.1 As set out in Section 201 of the Act 'the object of an MDC is to secure the regeneration of its area' and that an MDC 'may do anything it considers appropriate for the purposes of its object or for purposes incidental to those'. Within that context the Mayor proposes that aim or purpose of the Corporation would be to:

*"Promote and deliver physical, social, economic and environmental regeneration at Old Oak and Park Royal. The Corporation would work to secure maximum benefits from the newly planned transport interchanges of High Speed 2, Crossrail and London Overground stations. The Corporation would plan for; significant future growth at Old Oak; and for the protection and regeneration of the industrial areas of Park Royal. A central objective of the Corporation would be to secure high-quality sustainable development and investment for the benefit of the area and the communities that surround it."*

2.2 The Mayor's objectives for the future of the Old Oak and Park Royal areas are summarised below and developed in the Consultation Document:

- a) Regenerate, develop and transform Old Oak to ensure the area becomes a major contributor to London's position, in a way that is sustainable, meets local needs and supports the strategic long-term priorities in the Mayor's London Plan (Further Alterations to the London Plan) and the Old Oak a Vision for the Future;
- b) Safeguard and plan for the regeneration of Park Royal as a Strategic Industrial Location, ensuring investment that will improve existing operations, maximise the areas industrial potential, and support the smooth transition of business and industrial relocations;
- c) Resolve complex, cross-borough issues and plan for Old Oak and Park Royal in a complementary way that includes an integrated approach to planning policy, planning decisions and Community Infrastructure Levy (CIL);
- d) Maximise local and regional connections by making Old Oak one of London's best connected places and support delivery of, a new station on the Great West Mainline that would serve Crossrail 1, a new High Speed 2 (HS2) station, future potential London Overground station(s), local public transport and highway improvements;
- e) Support delivery of 24,000 new homes at Old Oak and 1,500 across the Park Royal gateways including a mix of affordable, tenures and sizes;
- f) Promote economic growth and job creation with the potential for 55,000 new jobs at Old Oak and 10,000 new jobs at Park Royal;
- g) Ensure world class architecture, place making and urban design that deliver a well-connected, high quality part of London;
- h) Maximise opportunities presented by significant ownership of land and assets by transport authorities and public bodies, by co-ordinating the development and stewardship of those assets;
- i) Build confidence in Old Oak and Park Royal and attract long term investment by promoting it as a significant development location;
- j) Work with key stakeholders, service providers and the local community to ensure the regeneration of Old Oak and Park Royal is accountable to Londoners, and is consistent with the principles of localism; and
- k) Respect the role and importance of the three local authorities whose boundaries overlap at Old Oak and Park Royal, including assisting them in carrying out the duties and functions that remain their responsibility within the area

### **3. Other considerations**

#### *a) key risks and issues*

3.1 There is a risk that there is significant negative feedback from the public and stakeholder consultation on the proposed establishment of an Old Oak and Park Royal MDC. However, this risk should be mitigated by the level of pre-consultation GLA officers have already undertaken with key stakeholders.

#### *b) links to Mayoral strategies and priorities*

3.2 The London Plan 2011 identifies Park Royal as an Opportunity Area. In 2011 the Mayor adopted the Park Royal Opportunity Area Planning Framework, which covered both the areas of Old Oak and Park Royal.

This planning framework is primarily focussed on the retention and protection of Strategic Industrial Land and identifies an indicative capacity for 14,000 jobs and 1,500 homes.

3.3 The proposed Further Alterations to the London Plan (FALP) separates out Old Oak and Park Royal into two distinct Opportunity Areas. The FALP continues to promote an industrial focus around the Park Royal area, but promotes a change of use at Old Oak to a more mixed-use residential development with an indicative capacity of 55,000 jobs and 24,000 homes.

3.4 In June 2013 the Mayor of London consulted on 'Old Oak - A Vision for the Future', which provides more detail on the significant opportunity to develop a large quantum of new housing and employment uses in the Old Oak area to maximise the opportunity of a new High Speed 2 and Crossrail station being built in the area.

*c) impact assessments and consultations.*

3.5 As set out in the proposed draft Further Alterations to the London Plan (2014) London's increasing population is placing increasing pressures on London's housing supply and economic growth. The Mayor's aspiration to achieve a high and sustainable quality of life across the capital can only be met if efficient use is made of the large areas of unused land across London where there is both the potential and need for development, regeneration and environmental infrastructure.

3.6 The Old Oak and Park Royal area is identified as a key strategic location. It is an area of particular market opportunity, responding to a future uplift generated by a new High Speed 2 and Crossrail station in the area and the subsequent re-designation of industrial land in Old Oak. However, the area suffers from:

- socio-economic deprivation;
- disparate land ownership;
- a lack of housing to meet local and regional needs;
- major environmental challenges and a lack of environmental infrastructure;
- poor internal and wider connectivity
- local infrastructure and access issues;
- limited access to public transport;
- significant marketing/inward investment challenges;
- low quality public realm and amenity space; and
- limited social infrastructure.

3.7 By pursuing development and economic growth within a more localised framework, the MDC would be able to conduct its business in a way that is more directly accountable and responsive to the diverse local communities in the area than is currently possible for the Mayor. It would also enable the Mayor to better embed his equality, inclusion, sustainable development, health, and community safety strategies in the planning and development of the area to promote a safe, sustainable, accessible and inclusive environment.

3.8 In accordance with best practice and the Mayor's public sector equality duty the consultation materials include an equality impact assessment (EqIA) of the proposal.

3.9 The public consultation will run for 14-weeks from 16 June 2014 to 22 September 2014. Documents will be made available on the websites of; GLA, TfL, and the three local Councils of Brent, Ealing and Hammersmith and Fulham. Consultation letters will be issued to all residents and businesses within the proposed MDC's boundary up to 200metres of the proposed boundary. In addition, there will be a press release and other promotional events during the course of the 14-week consultation. Consultation responses are welcome from anyone who wishes to respond.

3.10 The Localism Act requires various persons who must be consulted before the Mayor designates a Mayoral development area. In the context of this particular proposal they are:

- the London Assembly;
- each constituency member of the London Assembly whose Assembly constituency contains any part of the area;
- each Member of Parliament whose parliamentary constituency contains any part of the area;
- each London borough council whose borough contains any part of the area; and
- Any other person whom the Mayor considers it appropriate to consult.

3.11 The Mayor will provide a written response in due course to comments from the Assembly and boroughs. The Mayor's final proposals will be submitted to the Assembly, who may take the opportunity to reject them.

#### **4. Financial comments**

4.1 Mayoral approval is being sought to commence consultation to establish a Mayoral Development Corporation (MDC) at Old Oak and Park Royal to become operational on 1 April 2015..

4.2 The direct costs to the GLA of carrying out the consultation, other than the necessary staff time, will be minimal, with any costs to be met by Old Oak and Park Royal MDC/Planning 2014-15 budget of £275,000 (endorsed by February 2014 Investment & Performance Board).

4.3 The consultation document sets out in broad terms how the proposed Development Corporation is expected to be financed and that it is expected to require public subsidy from the Mayor of London. As a functional body of the GLA the Development Corporations budget would be a component of the Mayor's consolidated budget and subject to the same budgetary processes, approvals and scrutiny as the rest of the GLA group. Any public subsidy from the Mayor to operate this MDC would be considered in light of the total resources available when the Mayor's budget for those years is being determined.

4.4 If at any stage of this programme there is a need for any consultancy work officers have to ensure that the requirements relating to consultancy services within the Authority's Financial Regulations and Expenses & Benefits Framework are adhered to.

4.5 Should this decision relate to a contract at any stage, officers have to ensure that the requirements of the Authority's Contracts and Funding Code are adhered to.

4.6 Any changes to this proposal will be subject to further approval via the Authority's decision-making process.

4.7 The Planning team within the Development, Enterprise & Environment will be responsible for managing this project

#### **5. Legal comments**

5.1 Legal implications relevant to the proposal to consult on the establishment of the MDC are reported above; no other particular legal implications arise at this stage.

#### **6. Investment & Performance Board**

6.1 On 12 February 2014 the GLA's Investment and Performance Board considered a detail report on the proposed establishment of the Old Oak and Park Royal Mayoral Development Corporation, with following comments;

- Noted the draft purpose and objectives of a Mayoral Development Corporation (MDC) at Old Oak Common; the draft programme for putting in place an MDC; the draft boundary; and the draft work programme;
- Noted that the MDC will be a separate legal entity operating as a functional body within the GLA family with its own staff, but obtaining supporting functions through shared service arrangement with the GLA and TfL;
- Agreed to the commencement of detailed engagement with key stakeholders on the proposed MDC for the reasons set out in this report
- Endorsed the draft minimum costs associated with staffing and operating the MDC structure.

## 7. Planned delivery approach and next steps

Activity	Timeline
Commence public consultation	16 June 2014
End public consultation	22 September 2014
Prepare and issue Mayoral consultation response report	22 October
MDC proposal laid in front of London Assembly for 21 days ( <i>London Assembly have power of veto</i> )	23 Oct to 7 Nov 14
Mayor to publish his MDC designation and notify Secretary of State	8 Nov 2014
Establishment and Planning Functions Orders laid in front of Parliament	December 2014
Establishment and Planning Functions Orders agreed	February 2015
Recruitment and appointment of staff	Jan – April 2015
MDC becomes operational	01 April 2015

### Appendices and supporting papers:

- Appendix 1: MDC consultation document
- Appendix 2: Proposed MDC boundary for consultation

**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? NO**

If YES, for what reason:

Until what date: (a date is required if deferring)

**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:**

Michael Mulhern has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision.

✓

**Assistant Director/Head of Service:**

Stewart Murray has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

**Sponsoring Director:**

Fiona Fletcher Smith has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

**Mayoral Adviser:**

Sir Edward Lister has been consulted about the proposal and agrees the recommendations.

✓

**Advice:**

The Finance and Legal teams have commented on this proposal.

✓

**EXECUTIVE DIRECTOR, RESOURCES:**

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

Signature

*M. J. Allen*

Date

*17.6.14*

**CHIEF OF STAFF:**

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

Signature

*Edward Lister*

Date

*17.06.2014*

