

**REQUEST FOR MAYORAL DECISION – MD1358**

**Title: Approval of the LLDC's Ten Year Business Plan including 2014/15 budget**

**Executive Summary:**

The London Legacy Development Corporation ("Legacy Corporation" or "LLDC") seeks Mayoral consent to the LLDC Board's decision to approve the Legacy Corporation's Ten year Business Plan, which incorporates its one year budget for 2014/15, at its meeting on 30 April 2014. Approval is required under Section 213 of the Localism Act 2011 and Paragraphs 4.2 and 4.3 of the LLDC Governance Direction 2013, as approved under DD854.

The Plan sets out what the Legacy Corporation aims to do in and around Queen Elizabeth Olympic Park (QEOP) over the next ten years, and how it plans to achieve this. It replaces the format of three-year plans which had been used in previous years.

**Decision:**

- 1) To give consent to the LLDC Board's decision to approve the Legacy Corporation's Ten Year Business Plan.
- 2) To note that the Ten-Year Business Plan replaces the format of Three-Year Business Plans which had been used in previous years.

**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: 11 July 2014**

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

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

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

- 1.1 The LLDC Governance Direction 2013, approved under MD1227, states at Paragraph 4.2 and 4.3 that Mayoral prior consent must be obtained under the Direction to approve the core business plan. It was agreed that the consent would be sought after being presented to, and approved by, the LLDC Board at its meeting on 30 April 2014.
- 1.2 The Legacy Corporation's annual budget for 2014/15 and three year business plan for 2014/15 to 2016/17 have already been included in the Mayor's budget submission which has had overall approval by the London Assembly on 14 February 2014.
- 1.3 In February 2014, the London Legacy Development Corporation ("Legacy Corporation") submitted its draft Ten Year Business Plan to the GLA as part of the consultation process required under the LLDC Governance Direction 2013. The LLDC's Ten Year Business Plan sets out the specific details of the overall plans for QEOP over the next ten years. It also sets out the long-range operating context, objectives and financial projections of the Legacy Corporation, and is intended to be a publically accessible statement of intent, with a 'Resource Plan' which will be updated at least every three years. It has been agreed that the Ten-Year Business Plan will replace the format of three-year business plans which had been used in previous years.
- 1.4 The new Ten-Year Plan reflects two main changes from the previous vision for the Park - accelerated delivery of Sweetwater and East Wick, the 2nd phase of housing on the Park; and the Mayor's Olympicopolis vision for the creation of a new cultural and educational district in the South Park, and a change of emphasis from housing to job creation that this entails.
- 1.5 The Plan also includes an exit strategy for the Legacy Corporation, and proposes that a decision will be taken on its future in 2016/17 by the Mayor of London, and partners, when the plan is revised.
- 1.6 The financial forecasts in the Plan are based on the latest financial modelling of the Legacy Communities Scheme, incorporating the impacts of accelerated delivery and Olympicopolis, and on management projections of other costs and revenues. Detailed forecasts are set out in Part 2 of this Form.
- 1.7 The LLDC Board approved the 10 Year Plan at its meeting on 30 April 2014, subject to amendments, and to approval by the Mayor of London, as presented in this MD.

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

- 2.1 The Ten Year Plan retains the idea of focusing on three key areas: a successful and accessible PARK with world-class sporting venues, a PLACE where local residents and new arrivals choose to live, work and enjoy themselves, and opportunities and transformational change for local PEOPLE.
- 2.2 On the whole Park, over the next 10 years, the Legacy Corporation will:
  - Deliver the first 2,500 homes on the Park (including 1,500 with the accelerated delivery of East Wick and Sweetwater);
  - Attract and host 15 major sporting events/championships by 2017/18;
  - Create 13,000 jobs through developments on QEOP, including through delivery of Here East, at the former Press and Broadcast Centres, and the first phase of Olympicopolis, up to 2023.

The vision for the Olympicopolis project includes commitment to the development of major new higher education and cultural centres on QEOP, with the support of University College London (UCL) and the Victoria and Albert Museum (V&A):

- ‘Olympicopolis’ Project for East London set to deliver 10,000 jobs up to 2030, with the first phase included in the above total;
- The Project will accelerate the pace of regeneration and add an estimated extra £5.2bn of economic value;
- UCL and the V&A to advance plans for new institutions on QEOP.

### **3 Equality comments**

- 3.1 Queen Elizabeth Olympic Park 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 The LLDC will take responsibility for ensuring that in spending public money it meets the requirements of the 2012 Equalities Act and the Public Sector Equality Duty. The LLDC’s Equality and Inclusion Policy sets out the Corporations objectives as below:
1. Create an accessible and inspiring new place which embeds the highest standards of inclusive design as the Park is transformed and begins to open.
  2. Use procurement to maximise the positive opportunities the legacy development creates for the diverse communities of East London.
  3. The Development Corporation will embody the change, setting the standard for our partners by delivering flagship internal projects to promote inclusion and recruit a diverse workforce.
  4. Deliver a lasting legacy from the Paralympic Games which promotes disability sport.
  5. Develop projects which foster cohesion and integration between the future residents of Queen Elizabeth Olympic Park
- 3.3 As a GLA functional body, the Legacy Corporation will also need to consider how it meets the Mayor’s objectives within its work. This includes, in particular, the Mayor’s Equal Life Chances for All strategy, where its objectives align with those of the Plan.

### **4 Other considerations**

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

The 10 Year Plan projections are highly sensitive to changes in development market conditions (e.g, rates of house price and build cost inflation and developer appetite for risk), and actual operating conditions in QEOP (e.g., actual revenues from ArcelorMittal Orbit, events programme and naming rights), and will be reviewed on an annual basis, to inform the preparation of future ten year plans.

Further risks are set out in Part 2 of this Form.

#### *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 for the Olympic and Paralympic Games to deliver fundamental economic, social and environmental change within East London, and to close the deprivation gap

between the Olympic host boroughs and the rest of London. This will be London's single most important regeneration project for the next 25 years."

Approval of the Legacy Corporation's 10-year business plan is business critical to enable the Corporation to progress its new vision for legacy and growth, and enable QEOP to act as an economic driver to regenerate the wider area, which is essential to the delivery of this policy.

*c) impact assessments and consultations.*

As set-out in the Ten Year Plan, LLDC's priority themes run through all programmes, including:

- Promoting convergence, employment & community participation including within contract and job brokerage services;
- Championing equalities and inclusion to promote inclusive design on the Park;
- Ensuring high quality design to promote the Park as an exemplar development;
- Ensuring environmental sustainability and achieving zero carbon homes.

As required under Paragraph 2.1c of the LLDC Governance Direction 2013 (approved under MD1227), the Mayor and GLA must be consulted before LLDC approves a budget or business plan. Relevant GLA teams have been consulted, have provided feedback to the LLDC, and agreed revisions that have been incorporated into the Plan. The Legacy Corporation has consulted with its Audit and Investment Committees. The LLDC Board approved the Ten Year Plan, subject to a few minor changes and GLA Mayoral approval, on 30 April 2014.

There are no further impacts, or requirements for consultation, arising from this specific decision.

## **5 Financial comments**

The business plan incorporates revisions to the revenue budget for 2014-15 compared to what was included in the Mayor's Final Draft Consolidated Budget for 2014-15, but this does not affect the amount of revenue funding by the GLA. Additional comments are contained in part 2 of this decision.

## **6 Legal comments**

Under the terms of the London Legacy Development Corporation Governance Direction 2013, the Mayor's prior consent is required for the Legacy Corporation's three year plan. In this case, it was agreed to seek the Mayor's consent to a Ten Year Plan, incorporating the 14/15 budget, following approval of the Plan by the LLDC Board at its meeting on 30 April.

The Mayor's consent is also required for the disposal of long-term interest in the land originally acquired by London Development Agency (and subject to the National Lottery Repayments Agreement). This will be sought before development agreements are finalised.

## **7 Investment & Performance Board**

- 7.1 LLDC's Ten Year Plan was considered by the Investment and Performance Board on 20 May 2014. There were no actions arising out of the Board.
- 7.2 The annual budget for 2014/15 included in the Legacy Corporation's 3-year business plan for 2014/15 to 2016/17 as part of the formal budget submission to the Mayor, has been approved as part of that process. The Mayor confirmed this budget in writing to the LLDC.

## 8 Planned delivery approach and next steps

Activity	Timeline
Opening of the South Park, including ArcelorMittal Orbit	5 April 2014
Approval of 10 Year Plan by LLDC Board	30 April 2014
Summer events	Summer 2014
Commence construction on Chobham Manor (1 <sup>st</sup> phase of housing)	2015
Rugby World Cup 2015	September 2015
Construction begins on Olympicopolis	2016
First units of Chobham Manor occupied	2016
Olympic Stadium opens	Summer 2016
Construction begins on East Wisk & Sweetwater	2016/17
Attract and host 15 major sporting events/ championships	2017/18

### Appendices and supporting papers:

- As set out in Part 2 confidential section of this form.

**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: N/A

**Part 2 Confidentiality:**

**Is there a part 2 form – YES**

**ORIGINATING OFFICER DECLARATION:**

Drafting officer to confirm the following (✓)

**Drafting officer:**

Katherine Talbot 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:**

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

✓

**Sponsoring Director:**

David Lunts 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**

**Date**

**CHIEF OF STAFF:**

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

**Signature**

**Date**