

REQUEST FOR MAYORAL DECISION – MD1492

Title: Approval of the LLDC's Ten-year Business Plan incorporating 2015-16 budget

Executive Summary:

The London Legacy Development Corporation ("Legacy Corporation" or "LLDC") seeks Mayoral consent to the LLDC's Board's decision to approve the Legacy Corporation's updated Ten-year Business Plan, incorporating its one year budget for 2015-16, at its meeting on 17 March 2015, following consideration and approval of the Mayor's final draft consolidated budget for the GLA and its functional bodies for 2015-16 by the London Assembly on 23 February 2015.

The Ten-year Business Plan reflects confirmed funding of £141m from Government for Olympicopolis, and sets out the Legacy Corporation's vision, objectives and work programmes for Queen Elizabeth Olympic Park (QEOP) and the surrounding area, together with long-term budget projections.

Mayoral consent is required under Paragraph 4.2 and 4.3 of the LLDC Governance Direction 2013, as approved under MD1227.

Decision:

The Mayor consents to the London Legacy Development Corporation Board's decision to approve the Legacy Corporation's updated Ten-year Business Plan, incorporating its capital and revenue budgets for 2015/16.

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:

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. In this case, it was agreed to seek the Mayor's consent to an updated Ten-year Business Plan, incorporating the 2015-16 budget, following approval of the Business Plan and capital and resource budgets for 2015-16 by the Legacy Corporation's Board at its meeting on 17 March 2015.
- 1.2 The Legacy Corporation's annual budget for 2015/16 and revised Ten-year Business Plan have already been included in the Mayor's draft final consolidated budget, which was considered and approved by the London Assembly on 23 February 2015.
- 1.3 This updated Ten-year Business Plan sets out the specific details of the overall plans for Queen Elizabeth Olympic Park (QEOP) over the next ten years. It also sets out the long-term 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.
- 1.4 The Ten-year Plan reflects the acceleration of the 2nd phase of housing in the East Wick and Sweetwater neighbourhoods on the Park and associated social infrastructure, the completion of the Stadium conversion, and the resource implications of delivering the Olympicopolis vision for a major new cultural and higher education quarter in the south of the Park and the change of emphasis from housing to job creation that this entails. It also includes detailed financial forecasts, which are set out in Part 2 of this Form.

2. Objectives and expected outcomes

- 2.1 The Ten-year Business Plan focuses on three key objectives: Park, Place and People:
 - PARK: a successful and accessible Park with world-class sporting venues offering leisure space for local people, arenas for thrilling sport, enticing visitor entertainment, and a busy programme of sporting, cultural and community events to attract visitors;
 - PLACE: a new heart for east London, securing investment from across London and beyond, attracting and nurturing talent to create, design and make world-beating 21st Century goods and services, and becoming a place where local residents and new arrivals choose to live, work and enjoy themselves, and businesses choose to locate and invest; and
 - PEOPLE: opportunities and transformational change for local people, opening up access to education and jobs, connecting communities and promoting convergence - bridging the gap between east London and the rest of the capital.
- 2.2 Over the next ten years, Legacy Corporation's achievements, are expected to include:
 - PARK: continuing the successful operation of Park and venues, building on high visitor numbers achieved to date by expanding its reach beyond east London, and attracting and hosting 15 major sports events/championships by 2017/18;
 - PLACE: delivering the first 2,500 homes on the Park, creating 13,000 jobs through developments on QEOP, and building two high quality new schools;
 - PEOPLE: ensuring local people benefit from, and contribute to, the success of QEOP, including through economic opportunity, community engagement, sports and cultural participation, ensuring a successful Paralympic legacy, and operating on a stable financial footing, without additional public subsidy.

3. Equality comments

- 3.1 QEOP lies in one of the most diverse areas of the UK. The Legacy Corporation as a public body has a responsibility to promote equality, tackle discrimination and promote good relations between different groups of people with protected characteristics. For this reason, the Legacy Corporation is about to undertake a strategic equality impact assessment on its renewed priorities, including its emerging five year organisational strategy and the Olympicopolis plans. As part of this process the Legacy Corporation will be consulting with equality groups and testing whether its approach is helping to promote its equality priorities and in accordance with its public sector equality obligations in section 149 of the Equality Act 2010.
- 3.2 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 Ten-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), actual operating conditions in QEOP (e.g. actual costs and revenues of the Park and venues, events programme and naming rights), and tax assumptions and will be reviewed on an annual basis, to inform the preparation of future plans. The Ten-year Plan does not make any assumptions in respect of the payment of Corporation Tax. 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 LLDC's Ten-year Business Plan is business critical to enable the Legacy Corporation to drive forward its ambitious plans for legacy and growth, and enable QEOP to act as a major 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, the LLDC's priority themes run through all its programmes, including:

- promoting convergence, employment and community participation
- championing equalities and inclusion
- ensuring high quality design
- ensuring environmental sustainability

As required under Paragraph 2.1c of the LLDC Governance Direction 2013 (approved under MD1227), the Mayor and the GLA must be consulted before LLDC approves a budget or business plan. Relevant GLA officials have been consulted, have provided feedback to the LLDC, and agreed revisions that have been incorporated into the updated Plan. The Legacy Corporation has consulted with its Audit and Investment Committees, prior to presentation of the updated Business Plan, incorporating the annual 2015/16 budget to the LLDC Board on 17 March 2015, where it was approved without amendments.

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

5. Financial comments

- 5.1 The Legacy Corporation's capital and revenue budgets for 2015-16 and 2016-17 in the Ten-year Plan reflect what was included in the Mayor's final draft consolidated budget. GLA support for the Legacy Corporation's capital requirements will be provided as loan funding since repayments are anticipated over the period of the Plan from the capital receipts generated from the development of the Park, and this is reflected in the proposed borrowing limits for the Legacy Corporation. These cashflows have been taken into account in the GLA's long-term budget projections. Further confidential financial comments are contained in Part 2 of this Form.

6. Legal comments

- 6.1 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 Business Plan, incorporating the 2015-16 budget, following approval of the Plan by the Legacy Corporation's Board at its meeting on 17 March 2015.
- 6.2 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). His consent will be sought before development agreements are finalised.

7. Investment & Performance Board

- 7.1 The LLDC's updated Ten-year Business Plan, incorporating its annual 2015-16 budget, was considered by the Investment and Performance Board on 19 March 2015. There were no actions arising out of the Board.

8. Planned delivery approach and next steps

Activity	Timeline
Approval of Ten-year Plan and 2015-16 budget by LLDC Board	17 March 2015
Mayoral consent for Ten-Year Plan and 2015/16 budget	Late March 2015
Rugby World Cup 2015 held at Olympic Stadium	September 2015
First units of Chobham Manor occupied	From 2016
Construction begins on Olympicopolis	2016
Full opening of the Olympic Stadium	Summer 2016
Construction begins on East Wick and Sweetwater neighbourhoods	2016/17
IAAF and IPC Athletics World Championships held at Olympic Stadium	2017
Olympicopolis – UCL academic buildings delivered	2018/19
Olympicopolis – Stratford Waterfront site open	2020/2021

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? NO

If YES, for what reason:

Until what date: N/A

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:

Michelle Reeves 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:

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

✓

Sponsoring Director:

Martin Clarke has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Ed 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