

GREATER **LONDON** AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2076

Title: Royal Albert Dock – Second Deed of Variation

Executive Summary:

GLA Land & Property Limited (GLAP) entered a Development Agreement with ABP London Investment Ltd on 23 May 2013 for the regeneration of Royal Albert Dock.

ABP submitted their Business Plan for Phase 1 of the scheme in October 2016. The plan sets out ABP's proposed approach to the delivery of phase 1. These proposals require a minor variation to the Development Agreement to ensure the continued protection of GLA's commercial interests.

Decision:

The Executive Director of Housing & Land is asked to **APPROVE** the proposed changes to the Development Agreement and enter into a Deed of Variation to document the changes.

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, Housing & Land

Signature:



Date:

23.12.2016

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 GLA Land and Property Ltd (GLAP) entered a Development Agreement (DA) with ABP London Investment Ltd (ABP) on 23 May 2013 for the regeneration of Royal Albert Dock. When complete, the site will be a new commercial business hub in the east of London, supported by substantial retail, leisure and community facilities and transport infrastructure upgrades. The development is designed to attract investment from Chinese and Far Eastern companies seeking to establish a UK presence as well as London based companies seeking to relocate.
- 1.2 Hybrid planning permission was granted for the scheme on 22nd December 2015 and provides consent for:
 - 4.7m sqft GEA of development comprising;
 - 3.29m sqft of office space
 - 935,000 sqft of residential development (up to 845 homes)
 - 165,824 sqft of retail/leisure floor space
- 1.3 The project has moved into its next phase and GLAP is working closely with ABP to enable a start on site in early 2017. Early enabling works have already been completed to prepare the site for construction.
- 1.4 Before it can draw down the head lease for phase 1, ABP must satisfy a range of Conditions Precedent. Good progress has been made in recent months to close out these conditions. In particular:
 - GLAP has approved ABP's Annual Business Plan
 - GLAP has approved the identity of the Building Contractor (CITIC and Multiplex)
 - ABP has entered the Building Contract for phase 1
 - An escrow account has been opened, ready for ABP to deposit GLA's development security
 - The head lease for phase 1 has been drafted and is close to agreement

2. Phase 1 Business Plan

- 2.1 ABP submitted its Business Plan for Phase 1 to GLAP in late October 2016. Under the terms of the DA, ABP must secure GLAP's approval to this plan and this too is a Condition Precedent to the grant of the Phase 1 head lease.
- 2.2 GLAP has closely scrutinised the plan with input from its legal and property advisors. The plan includes ABP's proposed corporate and development structure. As a result of this proposed structure, a minor amendment to the DA is required to protect GLAP's commercial interests. Further details are in part 2 of this paper.

3. Equality comments

- 3.1 It is not anticipated that the recommended amendments to the Development Agreement will have a negative impact on any groups identified under the Equality Act 2010.

4. Financial comments

This paper is seeking approval for changes to the DA.

5. Legal comments

5.1 See Part 2

6. Planned delivery approach and next steps

Activity	Timeline
Complete deed of variation	23 December 2016
Relevant entities to sign a deed of adherence	23 December 2016
Start on site	Spring 2017

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: (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 – YES

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Lauren Noble (Senior Development Manager) has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service:

Simon Powell (Assistant Director, Strategic Projects & Property) 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:

This decision will be reported to the Corporate Investment Board on 9 ~~December~~ ^{Jan 2017} 2016.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. D. Allen

Date

23. 12. 2016