

Subject: Proposal to Designate a Mayoral Development Area

Report to: London Assembly (Extraordinary Plenary)

Report of: Executive Director of Secretariat

Date: 17 December 2014

This report will be considered in public

1. Summary

- 1.1 The Assembly is asked to consider the Mayor's proposal to designate a Mayoral Development Area for Old Oak and Park Royal, and whether or not to reject the proposal.

2. Recommendation

The Assembly is recommended to:

- 2.1 **Put questions to Sir Edward Lister - Chief of Staff and Deputy Mayor for Planning - and Victoria Hills, Director of the proposed Mayoral Development Corporation for Old Oak and Park Royal, on the Mayor's proposal to designate a Mayoral Development Area covering Old Oak and Park Royal; and**
- 2.2 **Consider, in accordance with Section 197 of the Localism Act 2011, and make decisions as necessary on the Mayor's proposal to designate an area at Old Oak and Park Royal as a Mayoral Development Area, as set out at Appendix 1 to the report.**

3. Background

- 3.1 Section 197 of the Localism Act 2011 gives the Mayor powers to designate any area of land in Greater London as a Mayoral Development Area ("MDA") for the purposes of setting up a Mayoral Development Corporation ("MDC"). In relation to the proposal to designate a Mayoral Development area covering Old Oak and Park Royal, that process has now reached its final stage following previous consultations with statutory consultees, including the Assembly, on the proposed area to be designated and, amongst other matters, the powers to be exercised by the MDC established for the area.
- 3.2 At this final stage, the Act requires the Mayor to lay his proposals for designation of the area before the Assembly in order to afford it the opportunity to reject the proposed designation within the following 21 days. The Mayor may only proceed to designate the MDA if, after the 21 day "consideration period" has expired, the Assembly has not rejected his proposals.

3.3 Accordingly, formal proposals in relation to the designation of a MDA (“the Proposal”) have now been received from the Mayor, which the Assembly is asked to consider, as set out at **Appendix 1**. The area to be designated is shown on the plan attached.

3.4 In accordance with Section 197, the Assembly may reject the proposed designation by a two thirds majority of Members present and voting. Although a formal motion to reject the Proposal is not included in the Recommendations to this report, such a motion may be moved by any single AM during the meeting, and if seconded, will be considered and must be voted upon by the Assembly.

4. Issues for Consideration

4.1 Old Oak and Park Royal are two Opportunity Areas in north-west London. They straddle three borough boundaries: Brent, Ealing and Hammersmith and Fulham. Park Royal is Europe’s largest industrial estate while Old Oak has been identified as an area of regeneration following on from the significant transport improvements arising from Crossrail and HS2 that will make the area a transport hub.

4.2 Between June and September 2014, the Mayor conducted a public consultation on his proposals to establish a MDC to lead on the planning and regeneration of Old Oak and Park Royal.

4.3 The Mayor’s consultation document set out the key objectives of the MDC, which included:

- To regenerate, develop and transform Old Oak to ensure the area becomes a major contributor to London’s economy, in a way that is sustainable and meets local needs;
- To safeguard and plan for the regeneration of Park Royal as a Strategic Industrial Location, steer, help secure investment to support businesses and support the smooth transition of business and industrial relocations;
- To resolve complex, cross-borough issues and plan in a way that includes an integrated approach to planning policy, planning decisions and Community Infrastructure Levy;
- To support delivery of 24,000 new homes at Old Oak and 1,500 homes in appropriate locations in Park Royal;
- To promote economic growth, job creation and enterprise with the potential for 55,000 new jobs at Old Oak and a further 10,000 new jobs at Park Royal;
- To support delivery of all other infrastructure required to support such a significant level of people living, working and visiting the area;
- To maximise opportunities presented by significant ownership of land and assets by transport authorities and public bodies, by co-ordinating the development of those assets;
- To work with key stakeholders, service providers, businesses and the local community to ensure the regeneration of the area is accountable to Londoners; and
- To respect the role and importance of the three local authorities whose boundaries overlap at Old Oak and Park Royal

4.4 Once established the Mayoral Development Corporation would take on various statutory powers relating to infrastructure, regeneration, land acquisitions –including Compulsory Planning Orders – streets, business and financial support. In setting up the MDC the Mayor can also choose whether or not to award additional powers related to planning and business rate relief for non-domestic rate

payers. In this instance the Mayor is minded to grant planning powers but not the power to grant business rate relief powers.

- 4.5 The boundary of a MDA defines the area in which the Corporation's powers, including its planning powers, would apply. A supplementary consultation was undertaken in November 2014 on a revised boundary for the Mayoral Development Area. The proposed Corporation would not be required to, and would most certainly not be expected to, take ownership of all land and assets within its boundary. The Corporation is not expected to be a major land-holding body, although there may be some transfers of land and assets owned by relevant public bodies.
- 4.6 The London Assembly's Planning Committee responded to the Mayor's consultation on behalf of the Assembly in September 2014. The full response can be found on the Assembly's website¹.
- 4.7 The Committee's key comments were:
- There is overall support for the establishment of an MDC to meet the significant regeneration potential of the area;
 - Considerable investment will be needed to remake and upgrade the area's infrastructure and these objectives can best be realised through a focused regeneration vehicle with the requisite planning powers;
 - The Mayor must place specific emphasis on the need to protect and enhance the interests of existing businesses and residents as well as securing high quality sustainable development of the area;
 - The Committee expects the Mayor to expend significant effort to ensure that businesses, local residents and stakeholders are given sufficient time and opportunities to input their views into the planning process;
 - The MDC Board should include a community representative;
 - The Committee supports the principle for MDC determination of strategic planning applications and the delegation of smaller scale applications to the boroughs. Details of the respective types of development application and thresholds should be left to negotiation between the MDC and the boroughs;
 - It is logical for the MDC to prepare the comprehensive local plan for the MDC area including a Community Infrastructure Levy as the most effective way of delivering the substantial and long-term funding required to underpin the infrastructure required. However, this must be done in close consultation with the boroughs, and should undergo extensive community consultation; and
 - Local residents and the local business community (and in particular the small and medium sized businesses) need to have mechanisms by which their views can be canvassed and heard. There may be scope for a Communities Committee to be created and to have formal status within the governance structure of the MDC. Similar issues of local representation, transparency and accountability were discussed during the consultation stage of the Olympic Park MDC, which the Mayor is referred to.²
- 4.8 The Mayor is required to publish a statement giving reasons for any relevant matters on which the comments from the Assembly are not accepted. That statement is set out at Appendix 1 to this report.

¹ <http://www.london.gov.uk/moderngov/documents/s39722/06a%20-%20appendix%20to%20Old%20Oak%20and%20PR%20report.pdf>

² http://www.london.gov.uk/sites/default/files/20110413_Letter%20to%20Mayor_MDC.pdf

5. Legal Implications

- 5.1 The main legal implications are set out in the body of the report. By laying his Proposal for the designation of the MDA before the Assembly, the Assembly is afforded a 21 day period (the consideration period) within which to reject the area's designation if it votes to reject by a two - thirds majority of AMs present and voting (abstentions are not included). A motion to reject the Proposal may be moved at the meeting in accordance with the procedure set out at Standing Order 3.22.
- 5.2 This is not a further round of consultation. If the consideration period has expired without the Assembly having rejected the Proposals, the Mayor may proceed to formally designate the area, and then must notify the Secretary of State of that fact and the proposed legal name of the Mayoral Development Corporation. The Mayor is not required to consult the Assembly on the MDC's name. The MDC is legally established by order of the Secretary of State made by statutory instrument and which is subject to the negative resolution procedure.

6. Financial Implications

- 6.1 There are no financial implications arising from the report.

List of appendices to this report:

Appendix 1 – Letter from the Mayor to the Chairman of the Assembly dated 8 December 2014 and two related enclosures – a map indicating the proposed boundary of the Mayoral Development Area and the statement by the Mayor in response to the public consultation

Local Government (Access to Information) Act 1985
List of Background Papers: None.
Contact Officer: Ed Williams, Head of Committee and Member Services
Telephone: 020 7983 4421
E-mail: ed.williams@london.gov.uk