

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2571

Title: Lewisham Gateway Phase Two

Executive Summary

Lewisham Gateway is a GLA led development project between GLA Land and Property Limited (GLAP), TfL Buses (London Bus Service Limited) and the London Borough of Lewisham (LBL). The selected developer for this project is Lewisham Gateway Developments Ltd (LGDL). A conditional development agreement was exchanged in 2006 pursuant to a procurement process run by the London Development Agency (LDA). Previous decisions relating to this development are Mayoral Decision (MD)1117 and MD1301.

This decision form outlines the changes to the scheme documents and requests approval for the new documents required as a result of the proposed introduction of Get Living Limited (GLL) to the project and to reflect the requirements of the parties in connection with the delivery of the scheme.

Decision

That the Mayor:

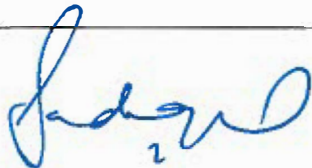
Approves entry into a Supplemental Agreement and Alterations to the Development Agreement, Freehold transfer, Guarantees, Deed of Variation of Phase One Common Parts Lease, Deed of Variation of Phase Two Longstop date, Compound Licence, Confirmations Letter, Deed of Surrender required, and any additional ancillary documents which may be needed to give effect to the proposed amendments to the development agreement to facilitate delivery of phase two of the Lewisham Gateway project.

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:

3/3/20

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

Decision required – supporting report

1. Introduction and background

- 1.1. Lewisham Gateway is a public-sector led development project involving GLA Land and Property Limited (GLAP) (which assumed responsibility for the project when the LDA was abolished in 2012), TfL, TfL Buses (London Bus Services Limited) and the London Borough of Lewisham (LBL) as landowners. The aim of this project is to improve Lewisham town centre and the highway layout to better integrate the town centre and transport interchange.
- 1.2. The selected developer for this project is Lewisham Gateway Developments Ltd (LGDL), secured using a regulated procurement process. Previous decisions relating to this development are numbered MD1117 and MD1301.
- 1.3. All public-sector land interests were transferred to LBL who subsequently let the combined land interests to LGDL on a 250-year lease to enable it to undertake the developer obligations outlined in the development agreement.
- 1.4. The first phase of the project is largely complete. This consisted of the removal of the A20 roundabout and wholesale re-alignment of the existing 'A' road network, which improved links between the transport hub and Lewisham town Centre, creating a peninsula for development. This enabled the delivery of 362 homes, ground floor shops and commercial space, relocation of an existing bus stand, diversion of two rivers and a new park (Confluence Place).

2. Objectives and expected outcomes

- 2.1. LGDL aim to commence the final phase of the project (phase 2) in early 2020. Once this phase is completed, a new entrance to Lewisham town centre will be created. Phase two will significantly improve the connectivity between Lewisham station and the town centre and deliver 530 homes, 20 per cent affordable, 119 co-living units, a co-working space plus 17,900 sq ft of commercial space and a cinema.

Proposed changes

- 2.2. LGDL have introduced Get Living London (GLL) as a forward funder for phase 2 of the scheme. The objective is to reduce the commercial exposure of LGDL by reducing the need for bank debt and removing sales risk to ensure the scheme can be delivered at pace. The programme for delivery has been accelerated and it is expected that all development will complete by summer 2023.
- 2.3. This funding structure requires a number of amendments to the legal structure of the development agreement and plot leases. These amendments have been negotiated to facilitate the introduction of GLL to the scheme, to assist in the delivery of affordable housing, and to secure the continued delivery of the wider Lewisham Gateway project.

3. Equality comments

- 3.1. In September 2017, the GLA published an impact assessment, including an equalities impact assessment, of the London Housing Strategy. Policies related to increasing housing supply and delivering affordable housing, to which the Lewisham Gateway scheme will make a significant contribution, were also covered by the Integrated Impact Assessment (IIA) for the Draft London Plan, published in November 2017.
- 3.2. The IIA concluded that the cumulative impact of these policies combined with policies for flexible housing mix, inclusive design and accessible housing would contribute to creating inclusive

communities, relieve housing pressures that disproportionately affect lower-income groups and ensure the needs of different groups are considered in housing design.

- 3.3. The delivery of new and additional homes will help to implement Objectives 1, 2 and 3 of the Mayor's Equalities Framework "Inclusive London" (May 2018) through the creation of new homes, housing products and well-designed housing schemes. Phase two of the project will contribute to the delivery of 530 new homes at 20 per cent affordable. The project also delivers new public realm which is free and accessible to all, as well as new five-screen cinema and co-working space which will benefit local people.
- 3.4. Under section 149 of the Equality Act 2010 (the "Equality Act"), as a public authority, the GLA must have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation, and to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not. Protected characteristics under the Equality Act comprise age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation and marriage or civil partnership status.
- 3.5. The proposals in this paper have no negative impact on those with protected characteristics.

4. Other considerations

Key risks

- 4.1. There is a risk that LBL will be unable to meet the required pre-drawdown conditions for the Housing Infrastructure Fund Marginal Viability Funding (Director's Decision (DD)2413) which provides £13.5m grant funding to the scheme. This would prevent the scheme progressing. However, LBL and LGDL were engaged throughout the drafting of the grant agreement, which LBL entered into with the GLA on 16 December 2019.

Links to Mayoral strategies and priorities

- 4.2. This scheme promotes the Mayor's Good Growth vision. The site sits within an Opportunity Area and has already delivered a considerable number of homes and is set to deliver many more plus social infrastructure for the public benefit. This scheme will also seek to deliver 106 affordable homes within the current affordable housing programme which will assist with Mayoral and borough housing targets.

Consultations and impact assessments

- 4.3. This project has gone through statutory consultation through the planning process. This has included written consultation from statutory bodies and local residents. The developer has also run consultation events for Lewisham residents and local businesses.

Conflicts of interest

- 4.4. There are no known conflicts of interest to note for any of those involved in the drafting or clearance of this decision.

5. Financial comments

- 5.1. This decision requests approval to enter into a supplemental agreement or variation to the development agreement and various other documents to allow the introduction of GLL into the scheme. The introduction of GLL will accelerate LGDL's ability to deliver the scheme.
- 5.2. There are further Financial Comments in Part 2.

6. Legal comments

- 6.1. Section 30 of the Greater London Authority Act 1999 ('GLA Act') gives the Mayor a general power to do anything which he considers will further one or more of the principal purposes of the GLA. The principal purposes, as set out in section 30(2) of the GLA Act are:
- promoting economic development and wealth creation in Greater London;
 - promoting social development in Greater London; and
 - promoting the improvement of the environment in Greater London.
- 6.2. In determining whether or how to exercise the power conferred by section 30(1) of the GLA Act, the Mayor must:
- have regard to the effect that his decision will have on the health of persons in Greater London, health inequalities between persons living in Greater London, the achievement of sustainable development in the United Kingdom and climate change and its consequences (sections 30(3-5)) of the GLA Act;
 - pay due regard to the principle that there should be equality of opportunity for all people (section 33 of the GLA Act); and
 - have due regard to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010).
- 6.3. Given the above, Section 34 of the GLA Act which allows the Mayor to do anything which is calculated to facilitate or is conducive or incidental to the exercise of any of his functions (including his functions under section 30) and the Mayor's powers (under Section 38 of the GLA Act) to delegate to any GLA member of staff functions of the GLA that are exercisable by him, the foregoing sections of this report indicate that the Mayor has the power to agree to the decisions set out above.

7. Planned delivery approach and next steps

Activity	Timeline
Development Agreement Variations completed	March 2020
Mobilisation period	March 2020
Enabling works start on site	April 2020
Start on site	September 2020
Practical completion	May 2023

Appendices and supporting papers:

Appendix 1: Site plan of Lewisham Gateway

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) 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 it has been approved or on the defer date.

Part 1 – Deferral

Is the publication of Part 1 of this approval to be deferred? NO

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

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included 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:

Charlotte Harrison has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

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

✓

Mayoral Adviser:

David Bellamy has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board:

This decision was agreed by the Corporate Investment Board on 2 March 2020.

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

2.3.20

CHIEF OF STAFF:

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

Signature

D. Bellamy

Date

2/3/2020.

