

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD2550

**Title: Completion of Legal Agreements for the Development of Land at Stephenson Street, West Ham**

### Executive Summary:

GLA Land & Property Ltd (GLAP) entered a Development Agreement with Berkeley Homes South East London (BHSEL) on 26 April 2016 for the residential-led redevelopment of GLAP's 10.6 hectare site at Stephenson Street, West Ham. Planning consent for 3,838 new homes, a new secondary school, retail, leisure and community uses was granted in August 2018.

To improve connectivity and unlock development on the site, the Development Agreement and the planning consent require BHSEL to construct two new pedestrian bridges and a new road bridge across the DLR/Jubilee line as well as a new entrance into West Ham station. To facilitate this, GLAP agreed with BHSEL, via the Development Agreement, to secure the necessary air rights from London Underground Ltd (LUL) to construct the bridges and station entrance, as a pre-condition to development commencing.

London Bus Services Ltd (LBSL) owns a three hectare site directly to the south west of GLAP's land at Stephenson Street. It is currently operated as a bus garage but may have potential to be reconfigured or redeveloped in the future. Access rights enjoyed by the bus garage site will be impacted by the development proposals and accordingly revised arrangements have been agreed which include provision for construction of a new access road and improved additional access arrangements.

This MD seeks the Mayor's approval to the final price to be paid for the LUL air rights and to enter the necessary legal agreements to facilitate protentional future development/reconfiguration of the LBSL site, for the consideration noted in Part 2 of this Decision Form.

### Decision:

The Mayor approves:

1. The payment to LUL in consideration for the rights required to deliver the bridges and station entrance to unlock development at Stephenson Street. The consideration is noted in Part 2 of this decision form; and
2. Entry into the necessary legal agreements to provide for construction of a new access road and improved additional access arrangements for LBSL's land to the south of Stephenson Street for the consideration noted in Part 2 of this decision form.

### 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:

27/11/19

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

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

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

##### *Stephenson Street*

- 1.1 GLA Land & Property Ltd (GLAP) entered a Development Agreement (DA) with Berkeley Homes South East London (BHSEL) on 26 April 2016 for the residential-led redevelopment of GLAP's 10.6 hectare site at Stephenson Street, West Ham, following a competitive procurement process. The site is outlined in red and blue in the plan below.
- 1.2 The DA is conditional upon BHSEL and GLAP entering into certain agreements with Transport for London (TfL), London Underground Limited (LUL), Docklands Light Railway Limited (DLR) and others to secure certain air rights and interests over land along the eastern boundary of the site to enable to access to and from West Ham Underground Station to facilitate the construction of bridges which will support the wider regeneration and development of the site.
- 1.3 The parties have agreed that in consideration of GLAP making payments to LUL, LUL will enter into an agreement which will give BHSEL rights to construct the Bridges.
- 1.4 A final price for these rights has been agreed and is detailed in Part 2 of this Decision Form.
- 1.5 Previous MDs for this project are as follows:
  - MD1626 – approved BHSEL as the preferred development partner by entry into a Development Agreement;
  - MD1645 – approved expenditure for technical due diligence and legal advice; and
  - MD2276 – approved GLAP's entry into an agreement with the Education Funding Agency and BHSEL to facilitate the delivery of a secondary school on the site and various ancillary documentation in relation to the DA. It also approved additional budget for additional legal costs.

##### *London Bus Services Ltd*

- 1.6 London Bus Services Ltd (LBSL) owns a three-hectare site directly to the south west of GLAP's land at Stephenson Street. The site is outlined in green in the plan below. It is currently operated as a bus garage but may have potential to be reconfigured or redeveloped in the future.
- 1.7 Access rights enjoyed by the bus garage site will be impacted by the development proposals and accordingly revised arrangements have been agreed which include provision for construction of a new access road and improved additional access arrangements. Terms for an agreement and the consideration have been agreed between the parties, details can be found in Part 2 of this Decision Form.

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

- 2.1. The agreement of the final price and will enable GLAP to enter into agreements to secure the new bridge connections, allowing GLAP to satisfy its obligation in the DA and construction to begin on site.
- 2.2. This will see the transformation of an under-used and run-down part of West Ham and will provide a significant number of new affordable homes for Londoners.
- 2.3. In terms of the LBSL site, revised arrangements for construction of a new access road and improved additional access arrangements create potential for the site to be reconfigured or redeveloped in the future.

### **3. Equality comments**

- 3.1. Under section 149 of the Equality Act 2010, as public authorities, the Mayor and the GLA are subject to a public-sector equality duty and must have 'due regard' to the need to (i) eliminate unlawful discrimination, harassment and victimisation; (ii) advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and (iii) foster good relations between people who share a relevant protected characteristic and those who do not. Protected characteristics under section 149 of the Equality Act are age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status.
- 3.2. Throughout the decision-making process relating to the approvals sought in this Decision Form to facilitate this significant housing development moving forward to delivery, due regard has been had to the 'three needs' outlined above. The housing shortage in London disproportionately negatively affects people with certain protected characteristics. Increasing the supply of housing, and in particular affordable housing will help to achieve positive impacts in line with the 'three needs'.

### **4. Other considerations**

- 4.1. The key risk with this proposal is that failure to agree the price means GLAP will not be able to enter an agreement to secure the necessary rights to complete the bridges. If GLAP is unable to secure the necessary rights, it will prevent BHSEL from commencing development. This project will deliver over 3,800 new homes with 40% affordable homes (by habitable room). Delaying start on site will delay completion of these new homes.
- 4.2. The Deputy Mayor for Planning, Regeneration and Skills is acting as the interim Deputy Mayor for Housing and Residential Development. In recognition of this, and to avoid potential conflicts of interest, it has been agreed that prior to Corporate Investment Board all land and property related decision forms should go to the Chief of Staff for consideration.

### **5. Financial comments**

- 5.1. This decision requests approval to purchase air rights to construct a bridge and station entrance at the Stephenson Street development site. Further financial comments are set out in Part 2.

### **6. Legal comments**

- 6.1 Section 30 of the Greater London Authority Act 1999 (as amended) (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 as set out in section 30(2) which are:

- i. Promoting economic development and wealth creation in Greater London;
- ii. Promoting social development in Greater London; and
- iii. Promoting the improvement of the environment in Greater London;

and, in formulating the proposals in respect of which a decision is sought, officers confirm they have complied with the GLA's related statutory duties to:

- Pay due regard to the principle that there should be equality of opportunity for all people;
- Consider how the proposals will promote the improvement of health of persons in Greater London, promote the reduction of health inequalities between persons living in Greater London, contribute towards the achievement of sustainable development in the United Kingdom and contribute towards the mitigation of or adaptation to climate change in the United Kingdom; and

- Consult with appropriate bodies.

6.2 Sections 1 - 3 of this report indicate that the decision requested of the Mayor falls within the GLA's statutory powers.

## 7. Planned delivery approach and next steps

Activity	Timeline
Completion of legal agreements/DA unconditional	November 2019
Grant of Phase 1 Building Lease to BHSEL	December 2019
Start on site	December 2019
Completion of Phase 1	December 2024

## 8. Site Plan



**Appendices and supporting papers:**  
None.

**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:**

Lauren Noble 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 25 November 2019.

**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

25.11.19

**CHIEF OF STAFF:**

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

Signature

*D. Bellamy*

Date

25/11/2019

