

# GREATERLONDONAUTHORITY

REQUEST FOR MAYORAL DECISION – MD2948

## ExCeL Phase 3

### Executive Summary:

The Exhibition Centre London (ExCeL) is a major driver of economic growth and business tourism for London, London Borough of Newham (LBN) and the Royal Docks. The freehold of the site is owned by GLA Land & Property Limited (GLAP) with a long leasehold to London International Exhibition Centre (LIEC).

During the past eighteen months, ExCeL has served as London's Nightingale Hospital and a vaccination centre. Looking ahead to the recovery from the Covid-19 pandemic, ExCeL are proposing to invest in a major expansion (Phase 3) of the centre to enable it to continue to be one of the leading conferencing and event centres in Europe.

Under the terms of the lease with LIEC, GLAP is required to sign the Planning Agreement relating to Phase 3 and provide consent to this expansion. LIEC is required to confirm the financial return to GLAP (in accordance with the lease), as detailed in part 2 of this decision.

### Decision:

That the Mayor approves:

- i. GLA Land & Property Limited (GLAP) entering into the section 106 planning agreement and any related ancillary documentation required to facilitate the proposed works for the construction of an extension to the existing ExCeL at the eastern end of the current complex (Phase 3) as freeholder
- ii. GLAP's consent to London International Exhibition Centre (LIEC) for the proposed works for the construction of an extension to the existing ExCeL at the eastern end of the current complex (Phase 3) as required under the lease between GLAP and LIEC, dated 20 April 2001, as amended by a Supplemental Deed dated 7 July 2008
- iii. The proposed approach to securing value for GLAP from the new development as set out in part 2 of this Decision
- iv. GLAP providing consent, to the Royal Docks Management Authority (RoDMA), to allow it to provide rights to LIEC use areas of its demised premises under the lease between GLAP and RoDMA, dated 26 March 1998, as described in this decision.

### 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:

3/3/22

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

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

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

- 1.1. In 2001 the London Development Agency (LDA) signed a 200-year lease with London International Exhibition Centre Plc (LIEC) as part of the development of the ExCeL centre and surrounding estate ("the Lease"). GLA Land & Property Limited (GLAP) took, by way of a statutory transfer, the Lease when the LDA was abolished in 2012. Since entering the Lease, the ExCeL has become very successful and attracts over four million visitors each year. It makes a significant contribution to the regeneration of the Royal Docks, which is London's only Enterprise Zone and a major focus of investment for the Mayor of London and the Mayor of Newham.
- 1.2. The Lease was primarily focused on the construction of the main exhibition centre but also laid out other potential development plots within the demise, which have gradually been developed, largely around the eastern end of the estate. The lease contains mechanisms for GLAP, as the current freeholder, to receive income from the use of these plots as they are developed. These mechanisms are set out in part 2 of this Decision in more detail.

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

- 2.1. ExCeL sought and has been granted planning consent for the construction of a major extension, subject to the section 106 planning agreement being signed. This will be the third phase of the exhibition centre following the successful completion of the previous two phases. The intention is that the third phase will enable ExCeL to attract the best exhibitions and conferencing events and support London's place as a centre for business tourism in Europe.
- 2.2. The Lease sets out various controls where ExCeL must seek GLAP consent to new development and changes of use from the original Lease. The proposal is to provide consent under the Lease (as set out in part 2) to enable the project to proceed. This includes confirming the terms of which GLAP, as the freeholder of the land, will receive income/receipts as a result of the new development.
- 2.3. The investment proposed by ExCeL will have a major impact by increasing business tourism to the Royal Docks, providing new employment opportunities and boosting the economic development of the Royal Docks, Newham and London. ExCeL estimates that 170 additional jobs will be created with a target that half of these will be targeted at local people. A further 130 jobs will be created during the construction phase. These employment opportunities are in addition to the 160 people who currently work at ExCeL, 34% of whom live in East London. Beyond this direct employment at ExCeL, the events and conferences that are held there supports around 35,000 jobs in the wider economy.
- 2.4. As part of the design process, LBN planners suggested the construction of a new walkway along Royal Victoria Dock to improve the landscape appearance and public realm around Phase 3 (see plan at Appendix 1).
- 2.5. This walkway will be funded by ExCeL but will be outside of the Excel lease demise and within water areas falling within Royal Docks Management Authority's (RoDMA) water management lease to which GLAP is landlord and freeholder. To build and use the walkway, ExCeL require rights to be granted to it by RoDMA of this area of the water. Under the existing provisions of the

lease between GLAP and RoDMA, GLAP consent is required to enable RoDMA to grant ExCeL a sub-lease from the demise of the water management lease for over 10 years (the exact term is subject to agreement with LBN). This Decision approves that this consent will be granted by GLAP under the existing lease arrangements with RoDMA.

### **3. Equality comments**

- 3.1. 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.
- 3.2. When considering the needs of the existing community and those that will be affected by the proposed development (both currently and in the future development scheme), any development activity will look to minimise disadvantages to all protected characteristic groups within society.
- 3.3. This decision will enable the third phase of ExCeL to be constructed. The design of the building has been tested via the LB Newham Design Review Panel as part of the planning process. There have been a number of improvements made through that process including the public realm around the phase. The design process has also considered in more detail the key routes around Phase 3 and how those routes which are diverted by the development can be improved. The addition of the floating walkway has been designed to increase the public space along the dock edge and provide step free access. These changes will provide improved step-free access and improved public realm.
- 3.4. In addition to the buildings and public realm, the project will also increase the supply of conferencing and events space will help to provide new employment opportunities and improve access for those with mobility issues.

### **4. Other considerations**

#### Key risks and issues

- 4.1. Risk comments are set out in part 2 of this decision form.

#### Links to Mayoral strategies and priorities

- 4.2. Phase 3 of ExCeL will support the regeneration of the Royal Docks, which is London's only Enterprise Zone. It will provide new direct employment opportunities and the growth in business at ExCeL will help to support employment and investment in the wider economy. ExCeL is a key driver of business tourism for London and the UK and the continued growth of ExCeL will mean more visitors, more investment and more opportunities. The Enterprise Zone is part of the Royal Docks and Beckton Opportunity Area in the London Plan and the investment will support more employment and help deliver the jobs outlined in the Opportunity Area Planning Framework.

- 4.3. The investment at this moment, in the recovery from the Covid-19 pandemic, when ExCeL has been at the forefront of London's response to the pandemic is a major financial commitment to London and supports the London is Open campaign.

#### Conflicts of interest

- 4.4. The author of this report is also a Director of RoDMA. The negotiation of the terms of GLAP's consent under the RoDMA Lease is being managed by other officers and will be signed by a GLAP Director who is not also a RoDMA Director.

### **5. Financial comments**

- 5.1. The decision is seeking approval for GLAP to consent to a third phase development at ExCeL. Approval is also sought for GLAP to consent to RoDMA entering into a sub-lease agreement with ExCeL to fulfil LBN planning approval requirements. Further details are provided 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:
- promoting economic development and wealth creation in Greater London
  - promoting social development in Greater London
  - promoting the improvement of the environment in Greater London.
- 6.2. 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
  - consult with appropriate bodies.
- 6.3. 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
Mayoral Decision	March 2022
Section 106 agreement signed	March 2022
Enabling works undertaken	March 2022
Start of main construction works	Spring 2022
Completion of works	2024

**Appendices and supporting papers:**

- Appendix 1 – Site Plan

**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**

**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:**

Paul Creed 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:**

Tom Copley 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 21 February 2022

✓

**EXECUTIVE DIRECTOR, RESOURCES:**

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

Signature

*D. Gane*

Date

22/2/22

**CHIEF OF STAFF:**

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

Signature

*D. Bellamy*

Date

21/2/22