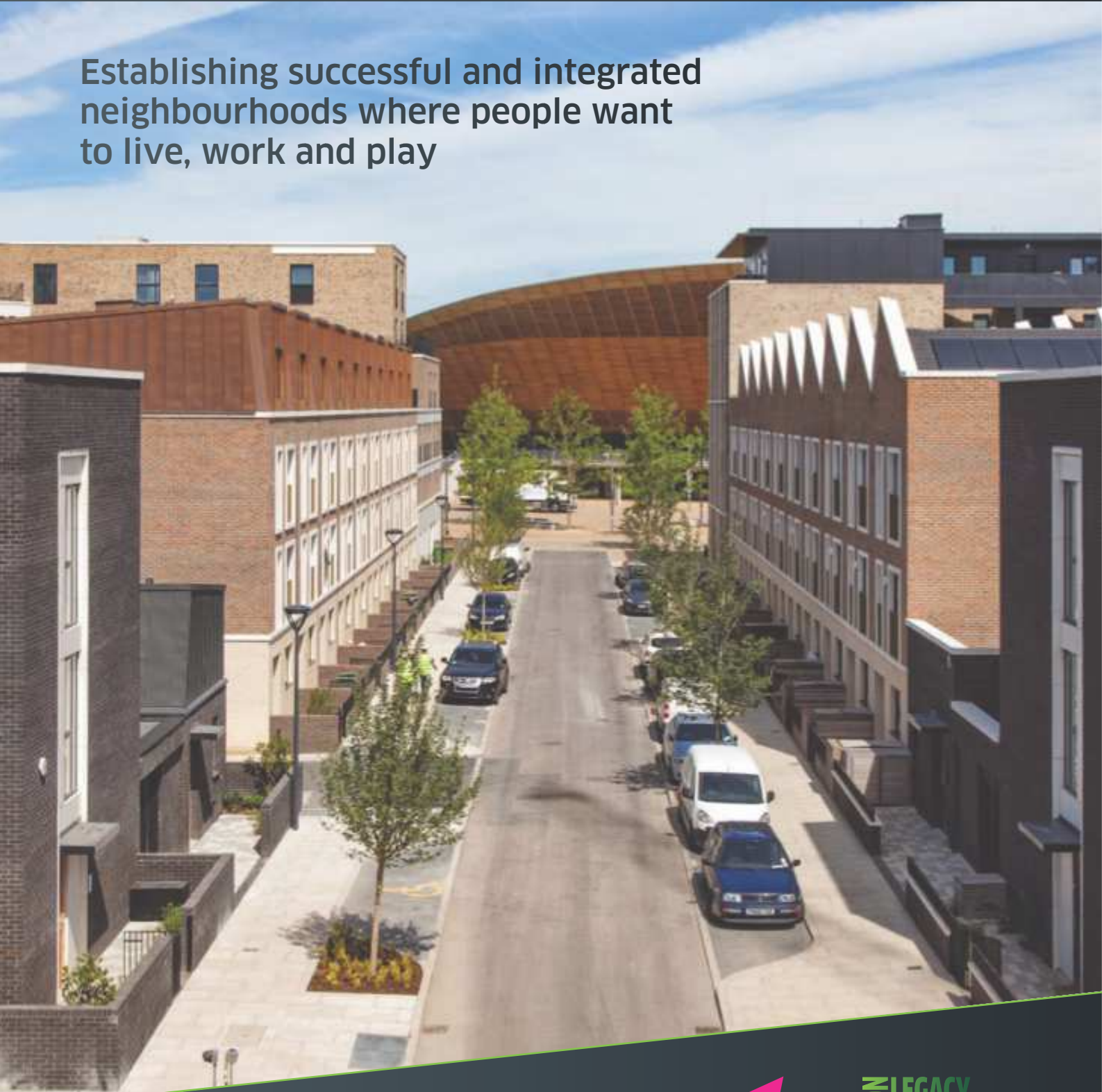


By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

HOUSING DELIVERY PLAN

2020-2025

Establishing successful and integrated
neighbourhoods where people want
to live, work and play



EXECUTIVE SUMMARY

LLDC's **Housing Delivery Plan** (the Delivery Plan) comes at a very important time. The delivery of successful and integrated neighbourhoods, where people want – and can afford – to live, work and play, is a key element of the Legacy programme and the Vision for the Park as an Innovative London Metropolitan Centre with a global focus, powered by inclusive growth, with community and opportunity. It is a priority to ensure successful delivery ahead of LLDC's activities transitioning to other organisations, and to ensure the smooth handover of any outstanding activities at the point of transition. This is set within the context of the need to build more homes, with future developments providing 50% affordable housing, whilst maintaining a balanced budget, in recovery from the COVID-19 crisis.

The Delivery Plan sets out the **Strategic Context** of national and local policy, in particular the National Planning Policy Framework, the Mayor's London Housing Strategy and London Plan, and LLDC's Local Plan, and where policy changes are required as a result of COVID-19, this Delivery Plan is flexible enough to accommodate those. It considers local housing need, affordability and the current **Housing Market Demand**. This background informs **What homes should LLDC be delivering**, including family and affordable housing.

LLDC is committed to delivering **family housing** in high-quality neighbourhoods and has learned a great deal since residents moved into Chobham Manor in 2015. Proposals for our future developments set out a flexible, site-specific approach to the quantum of 2-bed and 3-bed+ accommodation that is delivered, whilst also exploring opportunities to de-risk the market sales of 3-bed+ private homes, which are particularly difficult to sell.

We recognise that a design-led approach to **family housing** is essential to encourage more take-up by actual families, having regard to open space, play space and easy access. LLDC also sees an opportunity to prioritise delivery of 3-bed affordable units over 3-bed private units to meet local need. There will be a balance of unit typologies, to avoid saturating the market with one product; an approach that is also preferred by Registered Providers.

The other key consideration for LLDC is **affordable housing** provision. The LLDC Draft Local Plan identifies a greater need for low cost rented accommodation within the area and sets out a tenure split requirement of 60% low cost rented and 40% intermediate. Where existing planning consents do not meet this target, we will explore opportunities to improve the mix, when opportunities arise, through the use of Off-Site Affordable Housing S106 funds collected by LLDC as Planning Authority (as done at Chobham Manor) and the use of Recycled Capital Grant Funding (as done at Phase 1 of East Wick and Sweetwater).

Across all LLDC's housing developments the key aim is facilitate the delivery of **quality neighbourhoods** – these are guided by the Great Estate Principle and enabled through the four Priority Themes: ensuring Environmental Sustainability; High Quality Design; promoting Convergence and Community Participation; and championing Equalities and Inclusion.

The **Great Estate Principle** relates to the ambition to create a coherent sense of place by proactively shaping development, maintaining the quality of the Park and careful ongoing estate management. Coordinated architectural, urban and landscape design are essential elements for creating high-quality places that are engaging, safe, usable and beautiful, and which create and maintain value over the long term. For LLDC this is defined more specifically by our **Design Quality Policy**; this sets out how the design and delivery of these new neighbourhoods will respond to the sense of place in East London and ensure **character, landscape, and inclusivity** are embedded from the outset.

The Delivery Plan also recognises the challenges in meeting exemplary **sustainability** standards and the need for clear strategies in meeting new requirements and standards, responding to the climate emergency and a long-term strategy for the district heating concession.

Where are we now? The Delivery Plan covers four housing programmes:

- Legacy Community Sites (currently in delivery);
- Portfolio Sites (linked through the Stratford Waterfront Planning Consent);
- Neighbourhood Centres; and
- Early Feasibility Sites.

The **Legacy Community Sites** are currently being delivered: Chobham Manor is under construction with the first two phases complete and occupied; and East Wick and Sweetwater construction is underway. Lessons learned from these developments have informed the planning for LLDC's future sites across **Portfolio Sites**, **Neighbourhood Centres** and two potential sites where **Feasibility** studies are being undertaken.

Our **Future developments** will be delivered by strong partnerships between LLDC and developers, achieving commercial value and capital receipts, whilst also ensuring that ambitious high-quality design, accessibility and sustainability standards are set and met throughout the development lifecycle. A **Post Occupancy Evaluation (POE)** pilot is underway for Chobham Manor, the result of which will be to establish a standardised methodology for POE to be used across all LLDC developments around subjects relating to design, sustainability, transport and community.

LLDC's baseline **planning strategy** is to secure outline planning permission on its landholdings prior to disposal. This is to add value by de-risking the project, while embedding high-quality design and appropriate parameters within the planning approval. Planning strategies for individual sites are set out in the Delivery Plan and they vary depending on factors such as land ownership and the size of developments. These factors also inform the **delivery structures** for each site, along with the level of involvement and control required by LLDC to ensure that the strategic objectives of design quality, sustainability, employment creation and long-term value capture are met.

Throughout the Housing Delivery Plan, LLDC is required to **balance objectives** relating to its sites:

- To be market leading through its Priority Themes and the Great Estate Principle;
- To deliver at least 50% affordable housing, on sites not already under contract;
- To deliver profitable and commercial schemes for the benefit of LLDC and partners.

There are challenges in achieving all elements of the three objectives, and an appropriate balance will need to be agreed for each future site at the time of procurement.

A key element of the Delivery Plan is the anticipated **programme** of delivery. This programme has been developed with regard to the current market conditions, LLDC capacity (both people and financial) and the ambition to secure planning consents and start on site before LLDC functions start to transition to other organisations from 2024.

The Delivery Plan sets out mechanisms for **monitoring** and **reporting** on progress, including to the LLDC Board, the GLA, Homes for Londoners Board and in public. Aligned with this is LLDC's **risk** management process, including a number of housing related risks on the Corporate Risk register.

This Delivery Plan will be reviewed and updated annually, to reflect policy and market changes, and to then used to inform LLDC's annual review of the Long-Term Model and Budget.

INTRODUCTION

This document sets out the London Legacy Development Corporation's (LLDC's) ongoing Housing Delivery Plan (Delivery Plan) in relation to its land holdings within Queen Elizabeth Olympic Park (the Park) and the wider Mayoral Development Corporation area.

It provides an overview of LLDC's housing vision, linked to 5 Year Strategy and the 2030 Vision for the Park, including a framework for what form of housing we should be delivering, who for, and how and when this will be achieved. It will form the business plan for the Development Directorate over the coming years, informing the annual Long-Term Model and Budget submissions to the GLA.

The Delivery Plan considers the successes and lessons learnt in recent years, while consolidating individual project delivery strategies into a robust and coherent programme. It recognises that there are challenges which will need to be addressed through flexible and innovative approaches, highlighting programme level risks and constraints, along with the mitigation approaches that will maximise overall success.

It also recognises that LLDC is a time limited organisation and responsibility for delivery of LLDC's objectives will transition elsewhere in the future. It therefore focusses on what LLDC should be prioritising for delivery in the next five years, prior to commencement of transition. The Delivery Plan will apply to all future LLDC housing sites but will not be applied retrospectively to those projects already under contract (Chobham Manor and East Wick & Sweetwater) unless material amendments to those schemes are required.

The report is structured as follows:

1. **What is the Strategic Context?** sets out what LLDC is trying to achieve from its developments, though a summary LLDC's Corporate Strategy and Vision and of the National and Local Policy.
2. **What is the Current Market Demand?** provides an overview of the present local housing market. Whilst it is crucial that LLDC's development address housing need, the individual delivery strategies must also have regard to macro-economic factors and market demand, both from developers and occupiers, to ensure deliverability.
3. **Where are we now?** describes the work undertaken to date in delivering LLDC's Housing Delivery Plan. This gives an overview of all the development sites and the status of these, including where homes are already occupied at Chobham Manor and being built at East Wick and Sweetwater.
4. **What type of new homes?** provides a comprehensive overview of who LLDC is building for, how each of LLDC's Priority Themes will be achieved and how stewardship is to be provided over the long term.
5. **How LLDC will deliver the new homes?** sets out the disposal options, considered in the context of the principal drivers, including the relative risks and rewards and LLDC's financial obligations through its Long-Term Model. This section includes the various mechanisms and processes through which development could be delivered, as well as looking the criticality of early delivery of enabling infrastructure.
6. **When will LLDC deliver new homes?** sets out the LLDC's delivery programme, highlighting the risks and issues to achieving this, and where the programme sits in relation to the emerging Transition programme. It also sets out an ongoing monitoring and reporting regime, such that progress against programme can be effectively monitored by the LLDC Board, as well as the GLA's Homes for Londoner's Board.

WHAT IS THE STRATEGIC CONTEXT?

Delivering the Legacy Vision

Building on work initiated by the Olympic Park Legacy Company from 2009, LLDC was formed in April 2012 as a Mayoral Development Corporation to manage Queen Elizabeth Olympic Park and its venues, and to deliver regeneration for east London. In April 2012, LLDC took ownership of the Park and venues, and in October 2012, LLDC became the local planning authority and regeneration agency for the Park and surrounding area. This includes both the Park itself and neighbouring districts like Hackney Wick, Fish Island, Bromley-by-Bow, Sugar House Lane, Carpenters Estate and Westfield Stratford City.

LLDC's 5 Year Strategy, which was approved in 2015, then updated in 2016, sets out the programme of change being delivered in and around the Park, outlining how LLDC delivers this in collaboration with key partners, through five business objectives: Live, Work, Visit, Inspire and Deliver.

The Housing Delivery Plan captures all these objectives, in particular **Live** and **Deliver**, as set out below. The Delivery Plan sets out how LLDC will deliver against these business objectives in the context of changing political and economic circumstances, and in the light of the lessons learned from the initial housing delivered on the Park.

LIVE: establish successful and integrated neighbourhoods, where people want – and can afford - to live, work and play

With a growing population, demand for new housing in London will remain high, especially in east London. The neighbouring boroughs have a particular need for high quality family homes and affordable housing to keep people living in the area for longer, and to help to build sustainable communities. The vision for Queen Elizabeth Olympic Park demands that new neighbourhoods are not islands of prosperity and excellence but properly knitted into the existing and developing communities. It also requires that neighbourhoods are developed in a way that meets high standards of design, sustainability and accessibility, delivers all the social infrastructure required (schools, health, community centres), and includes evidence-based projects to develop – at pace – the things that make communities function effectively. Successful neighbourhoods will be vibrant, engaged, inclusive and connected, exemplifying the future while also preserving the best of the local heritage – and they will add to the strength of the Queen Elizabeth Olympic Park brand as a place to live, work and play.

(extract from LLDC's 5 Year Strategy)

The **Deliver** business objective in LLDC's 5 Year Strategy sets out the requirement to deliver value for money. This includes the repayment of capital borrowing through receipts from housing developments. In summary, LLDC borrows from the Greater London Authority (GLA) to fund capital expenditure, including to support the East Bank development and for the London Stadium, up to a cap of £520m. Receipts from LLDC's housing developments are used to pay back borrowing from the GLA, who in turn are responsible for paying back the National Lottery loan for the London 2012 Olympic Games. GLA also provide grant funding to LLDC, including to cover decreased receipts.

The anticipated levels of receipts from the housing developments have reduced over time due to changes in policy and priority (more details below) including: an increase in the levels of affordable homes required to be built on public land; the acceleration of delivery; the macro-economic conditions; and a reduction in number of homes due to the East Bank programme using land originally intended for housing. These changes have been reflected in LLDC's Long-Term Model, but ensuring that the housing developments meet or exceed receipts now forecast is a key priority

reflected in this Delivery Plan and considered at every stage in the delivery of LLDC's new neighbourhoods.

Transition and Vision

LLDC is a time limited organisation and will commence transition to its successor body/bodies within the next Mayor term (2021 to 2025), with LLDC's planning powers passing back to the local boroughs by December 2024. Full transition of all LLDC functions will be agreed and take place post 2024. The emerging High-Level Transition Strategy informs, and is informed by, this Delivery Plan. It is recognised that the delivery of the Housing programme and the Transition programme are interlinked and will need to be closely aligned over the coming years.

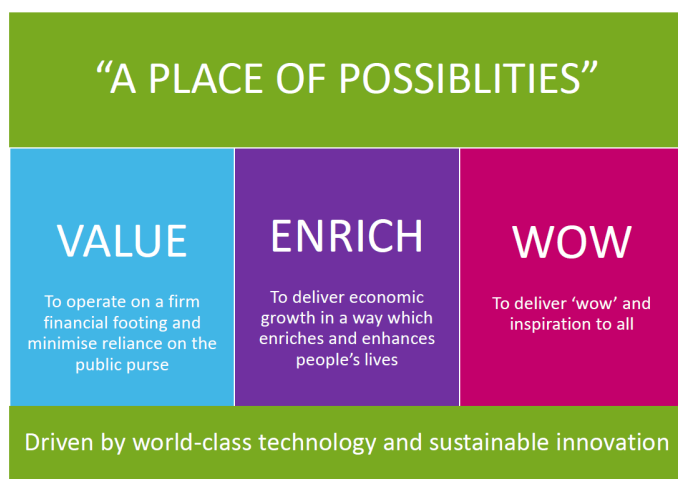
Linked to this is the long-term Vision for the Park, which was developed with partners to bring clarity about the change that LLDC and our partners are collectively aiming to deliver over the long term. A clear vision for the future helps to shape our understanding of what we need to do in order to get there, and to map out the role of all partners in making this happen. The Vision is set out below and all three strands are key to this Delivery Plan.



LLDC's Commercial Strategy

Residents within the Park pay an annual Fixed Estate Charge which is used as revenue funding for LLDC (e.g. EFM costs) and is the major source of funding to ensure estate management of the Park in the long term. Further revenue generating opportunities will be explored in individual development strategies, linked to LLDC's Commercial Strategy.

LLDC's emerging **5-Year Commercial Strategy** sees Queen Elizabeth Olympic Park as 'a place of possibilities' and is structured around the strands of: **Value**, **Enrich** and **Wow** (see below):



The key elements of the Commercial Strategy that relate to the delivery of housing, directly and indirectly, are set out below:

5 Year Commercial Strategy key elements	Housing Delivery Plan
Delivering our ambition for Queen Elizabeth Olympic Park to become the most technology focused, innovative and sustainable district in the world	Delivery of successful, integrated neighbourhoods where people want to live, work and play is key to the Commercial Strategy. Developing a variety of complementary and sustainable homes will bring a vibrant mix of people to the Park, knitted to existing communities and developing a sense of place. Having these successful neighbourhoods will contribute to making the Park an amazing, inspiring and unique place, helping to encourage investment in the area and allowing a focus on innovation and technology, helping to extract value from the place. It will also provide a large number of residents and their family and friends who feel positive about the place who will spend time and money in the Park.
Extracting maximum value from what we have in and around Queen Elizabeth Olympic Park	
Giving the right brands a strong and compelling proposition for investment in QEOP	
Making the Park an amazing, inspiring and unique place to spend time – and money	
Keeping people at the heart of everything we do	
Collecting and using data to underpin all commercial decisions	Anonymised Information about who is moving into our homes and gauging the views of residents will help to inform commercial decisions.
Cutting waste and being sharper about how we operate	Ensuring that the developments are viable and deliverable, ensuring financial returns aligned to LLDC's Long-Term Model. Linking procurement to other activities in the Park to increase buying power and create economies of scale, where appropriate.

This updated Delivery Plan remains faithful to the key Business Objectives and Vision, but reviews the changed policy and economic climate, particularly in the light of recent COVID-19 issues; reflects on the successes and lessons learnt in recent years; and consolidates individual project delivery strategies into a robust and coherent Housing Delivery Plan for the next phase of our programme.

Legacy Development Strategy

In 2010, LLDC's predecessor body, the Olympic Park Legacy Company's (OPLC) **Legacy Development Strategy** set out the principles required to successfully implement the Legacy Vision, which included:

- the need to utilise the Games to achieve a step change in perceptions of the area from the perspective of investors, developers, occupiers and residents;
- the critical nature of a high-quality start, with a consistent vision across the site, upfront infrastructure and quality linkages to transport links;
- the need to offer a complementary product or to out compete the competition given the unique supply characteristics of the area; and
- the need for linkage between development platforms, the Legacy venues and the parkland, and the importance of animating or providing secure access to the wider area in the interim.

In 2011 these principles informed the **Legacy Communities Scheme (LCS)** masterplan for the development of new neighbourhoods across the Park (see **Where Are We Now?** section below for information about the neighbourhoods). The LCS was granted outline planning consent in 2012 for land uses, building heights, open space, access plans, street layout, development of infrastructure and more, for all five neighbourhoods.

Over recent business planning cycles, LLDC has increased affordable housing proposals in its future developments to 50%, while maintaining a balanced Corporate budget. Delivering a balanced budget has been particularly challenging, as income projections have reduced from the original LCS forecasts, which were based on lower levels of affordable housing, later delivery and historically strong House Price Inflation forecasts, while at the same time, forecast expenditure has increased, particularly around the London Stadium and East Bank projects.

Planning Policy and Guidance

In recent years there has been significant developments in housing policy and guidance at a national, regional and local level.

[National Planning Policy Framework \(February 2019\)](#)

The National Planning Policy Framework (NPPF) sets out the Government's economic, environmental and social planning policies as well as their requirements for the Planning System. At the heart of the NPPF is a presumption in favour of sustainable development, which should be viewed as a golden thread that runs through both plan-making and decision-taking.

The NPPF requires planning authorities to establish a housing requirement figure for their whole area and how these figures can be met in the plan period. A new focus has also been put on identifying small sites to make up 20% of overall land supply for housing. Local planning authorities are also encouraged to support the acceleration of housing delivery through the planning process.

In terms of affordable housing the NPPF states that planning policies and decisions should expect at least 10% of homes to be available for affordable home ownership and extends the definition of affordable housing to include affordable rent at 20% below local market rents or in accordance with UK Government rent policy, Build to Rent schemes (which has formal national policy recognition for the first time), Starter Homes, Discounted Market Housing, and other affordable housing routes

provided for sale ‘that provides a route to ownership for those who could not achieve home ownership through the market’.

The NPPF attaches importance to the design of the built environment with good design being a key aspect of sustainable development together with the delivery of social, recreation and cultural facilities and services.

[London Housing Strategy \(2018\)](#)

The Mayor’s London Housing Strategy sets out his vision for housing in London, including over £4.8bn of affordable housing investment through to 2022.

This strategy’s central priority is to build many more homes for Londoners, particularly affordable homes, as well as building the right number and the right mix of new homes, and addressing the consequences of the housing crisis, which are part of the Mayor’s vision for good growth.

The London Housing Strategy is structured around five priorities:

- building homes for Londoners;
- delivering genuinely affordable homes;
- high quality homes and inclusive neighbourhoods;
- a fairer deal for private renters and leaseholders; and
- tackling homelessness and helping rough sleepers.

There is a strong inter-relationship between the London Housing Strategy and the Mayor’s other strategies. Most important is the London Plan which reflects the vision and priorities of the Housing Strategy.

[London Plan](#)

The Draft New London Plan was published in November 2017 and further minor modifications published in August 2018. It presents new targets and objectives for development in London between 2019 and 2041.

The Draft London Plan was subject to public consultation until March 2018 and the Examination in Public (EiP) was subsequently held in January 2019. In December 2019, the Mayor of London issued to the Secretary of State his Intention to Publish the London Plan covering the period 2019-2041. However, on 13th March 2020, the Secretary of State wrote to the Mayor setting out his considerations of the Plan which focussed largely on increasing housing delivery across London, which is currently being considered by the Mayor.

The Intention to Publish (ITP) London Plan seeks to tackle housing supply in London and in particular affordable housing. The Plan acknowledges that the state of London’s housing market has implications for the makeup and diversity of the city. It sets a target of 50% affordable housing and also promotes a range of high quality, well-designed, accessible homes to support the Mayor’s Good Growth agenda and to ensure that London remains a mixed and inclusive place in which people have a choice about where to live.

[Mayor of London’s Affordable Housing and Viability Supplementary Planning Guidance \(2017\)](#)

The Affordable Housing and Viability SPG was published in 2017 and its main aim is to accelerate overall housing delivery and increase the amount of affordable housing delivered through the planning system. More particularly, it seeks to embed the requirement for affordable housing into land values, make the viability process more consistent and transparent, and speed up the planning process for those schemes which are delivering more affordable homes.

A key part of this is the introduction of a ‘threshold approach’, whereby schemes meeting or exceeding 35% affordable housing without public subsidy, or 50% in the case of public land, can follow a ‘Fast Track Route’ where a viability assessment is not required or considered at planning application stage. Schemes which provide less than the affordable housing threshold will be considered under a ‘Viability Tested Route’ and are required to submit viability assessments with subsequent review mechanisms to increase affordable housing provision if viability improves during the implementation of a permission. Furthermore, to encourage the delivery of development, irrespective of the affordable housing threshold, all schemes will be subject to a viability review if an agreed level of progress on implementation has not been achieved within two years of consent being granted.

LLDC Local Plan

In September 2017, the Legacy Corporation initiated a review of its Local Plan which has since been subject to public consultation and an examination held by an independent planning inspector. The Inspectors’ Report has been received, and subject to incorporating the main modifications, the Inspector has concluded that the Draft Revised Local Plan (the Local Plan) is legally compliant, in general conformity with the London Plan, sound and meets the requirements of the Duty to Cooperate.

A key objective of the Local Plan is to maintain locally distinctive neighbourhoods which meet housing needs, while providing excellent and easily accessible social infrastructure. The Local Plan sets a target to deliver more than 22,000 new homes in the LLDC area between 2020 and 2036 within a range of sizes, types and tenures. The Local Plan also sets a target of 35% affordable housing by habitable rooms, with 50% required from public sector owned sites, with an affordable housing tenure split of 60% low cost rented housing and 40% intermediate, to address the higher need for low cost rented accommodation within the LLDC area. The Local Plan also seeks a range of unit sizes to meet identified local and strategic requirements with over half of all units required to be 2 bedrooms or more.

Housing Need

London Regional Context

In the last decade London's population has grown by 1.2 million people, driven by rising numbers of births, falling deaths and strong net inward migration. According to the GLA's central population projection, London's population is projected to grow more slowly over the next 25 years but still reach around 10.8 million by 2041. The 2017 London Strategic Housing Market Assessment (SHMA) projects the rate of population growth between 2016 and 2041 will be 79,000 a year.

The fastest rates of population growth are expected to be among older age groups (due both to the ageing of ‘baby boomers’ and rising life expectancies), which in turn will accelerate growth in the number of households, due to the propensity of older people to form smaller households.

Housebuilding has not kept up with rapid population and employment growth in London over the last decade, and housing costs have consequently risen faster than incomes. There has been a particularly sharp deterioration in affordability for private renters, while lower interest rates have boosted house prices, but kept mortgage costs relatively low for homeowners.

Recent years have seen strong supply of market housing, including the emergence of the Build to Rent sector, but a very low supply of affordable housing, particularly for low cost rent.

East London Context

Demand for homes in the LLDC area and surrounding boroughs of Newham, Hackney, Tower Hamlets and Waltham Forest reflects the wider London trends, including demand for smaller private homes, larger affordable rental family homes and rental properties generally.

The LLDC area and local boroughs are changing rapidly and, in parts, becoming more affluent, largely as an indirect benefit from London's status as a World city. However, these benefits are not affecting all people and all parts of the boroughs. Furthermore, there has been fundamental tenure adjustment, the continuing challenge of new housing delivery, responding to the needs of those households affected by welfare reform and a changing population profile. Overall, therefore, there is a need for a continued coordinated approach towards the varied housing challenges faced to ensure future success.

LLDC Area

LLDC's Housing Requirements Study (March 2018), which provided the evidence base to the Local Plan (found [here](#)), looked at housing need for the LLDC area but also considered the wider context of the London Boroughs of Newham, Hackney, Tower Hamlets and Waltham Forest and their Strategic Housing Market Assessments. The study predicts a need in the LLDC area for 10,636 dwellings over the period 2015-31, which translates to 665 homes of all tenures per annum. LLDC's own developments aim to support the achievement of this target.

Based on trends for households which have been moving into the LLDC area, the housing mix modelling shows an overall future need across all tenures of 22% 1-bed homes, 50% 2-bed, 25% 3-bed and 3% 4-bed+. This is differentiated between tenures as follows:

- Market Housing: 25% 1-bed, 57% 2-bed, and 16% 3-bed;
- Affordable Housing: 17% 1-bed, 39% 2-bed, and 40% 3-bed.

From this we can see that although there is still a need for family sized housing in the area, a significant proportion of 2-bed homes are needed, whilst the need for 3-bed+ homes is greater in affordable tenures than private.

Summary

There have been significant developments in housing policy and guidance in recent years and the Housing Delivery Plan therefore comes at a very important time.

In response to the significant housing shortage in London, there is a presumption in favour of sustainable development and a clear aim of accelerating housing delivery through the planning process. The Mayor of London has sought to tackle affordability in London with a greater proportion of affordable housing required on land owned by the public sector, including LLDC.

There is also greater emphasis on the quality of developments, ensuring that the mix of new homes addresses needs and supports the Mayor's good growth agenda.

WHAT IS THE CURRENT MARKET DEMAND?

Housing Demand

Whilst it is crucial that LLDC's developments address housing need, as set out in planning policy and guidance, the individual project delivery strategies must also have regard to macro-economic and market demand, both from developers and occupiers, to ensure deliverability and that the Long-Term Model forecast receipts are achievable. The Delivery Plan therefore considers the current local market context that will impact every stage of delivery.

Analysis of the local market by LLDC, using databases such as Molior and through commissioned research reports (completed by Deloitte Real Estate and Knight Frank) have highlighted three primary socio-economic demographic groups within a 3km radius of the London Stadium, which LLDC's developments will aim to attract:

- **Municipal Challenge** – urban renters of social housing
- **Rental Hubs** – educated people privately renting
- **City Prosperity** – owners with high reward careers

This research also highlighted that purchasers of new build accommodation in London are generally seeking one and two bed properties, in close proximity to transport hubs and within commutable distance of the main employment centres. This places Stratford in an ideal location to capture wide market demand, although it will be competing for buyers and investors across London. This will be the most marked where new residential developments have similar amenity offers, price points and transport accessibility such as Greenwich Peninsula, Canada Water / Surrey Quays, and developments around the Royal Docks.

COVID-19 has changed the way people live and work currently, but how things will evolve over time is still unclear. It is likely that there will be a long-term shift towards a higher proportion of people working from home and greater emphasis being placed on provision of private and locally accessible public open space by residents.

LLDC is well placed to respond to these changing demands of owners and occupiers within the delivery of new homes. LLDC is already committed to delivering accommodation which is a minimum of 5% larger than the national housing space standards (across all tenures) along with associated private amenity, and we will be delivering new green amenity and play space as part of the new public realm. All new housing is also able to draw on the space and facilities offered across the wider Park.

It is important to LLDC that new development and the wider regeneration of the area delivers mixed and balanced communities, by considering the type of accommodation which is suitable and affordable for residents, how the market is evolving, and how the demand for housing can be met across all tenures.

Some key industry housing trends that will help shape the viability and attractiveness of future LLDC developments, as well as catering for all socio-economic groups set out above, include:

- **Build to Rent** – this is a growing sector due to the cost of market sale accommodation, meaning occupiers are being increasingly pushed towards rental properties.
- **London Help to Buy** – supporting sales of new builds below £600,000. From April 2021 Help to Buy will be restricted to first time buyers and will run for two more years until March 2023.
- **Proposal of new 'First Homes' product** – a discounted home ownership product aimed at first-time buyers and key workers. The proposal is currently out for consultation with initial support from the Government.

Open Market Housing

Over the last 20 years, all local authority authorities in the UK have seen house prices increase by over 100%. The profile of Stratford and the surrounding area has been lifted since the announcement of the 2012 Olympic Games, and the area has seen rapid growth in house prices. Newham, Hackney and Waltham Forest all feature in the top five risers for house value across the UK in analysis released by Halifax in December 2019. Whilst the house price growth has eased since 2015, following the introduction of the tax on buy-to-let investors, prices continue to rise across London and affordability will remain a concern.

According to the evidence base for the Mayor’s Housing Strategy in 2019 (set out [here](#)) the average first-time buyer in London statistics showed:

- Average age of first-time buyer – 33 years old
- Average price paid by first time buyer - £449,200
- Average deposit paid - £148,800 – 192% of annual income
- Average household income - £77,300 – more than double average earnings

The table below sets out the property values that could reasonably be afforded by Londoners, based upon the GLA’s average household salary and deposit statistics:

Household Salary		Loan to Income (LTI)	Mortgage	Deposit	Property Value		
Upper	£96,625	3.8	£367,175	£148,800	£515,975		
				£74,400	£441,575		
				£37,200	£404,375		
Average	£77,300		3.8	£293,740	£148,800	£442,540	
					£74,400	£368,140	
					£37,200	£330,940	
Lower	£57,975			3.8	£220,305	£142,400	£362,705
						£74,400	£294,705
						£37,200	£257,505

The majority of homes in the LLDC area are within the Average Property Value range, meaning they are affordable for households with incomes up to £77,300. However, average incomes within the LLDC area are considerably lower than this, making private home ownership unaffordable for many in the local community. Specifically, 2019 gross annual pay published by ONS ([link](#)) for each borough was:

- Hackney mean gross income £36,000 (£46,000, 70th Percentile)
- Newham mean gross income £30,000 (£36,600, 70th percentile)
- Tower Hamlets mean gross income £50,500 (£54,500, 70th percentile)
- Waltham Forest mean gross income £35,000 (£41,000, 70th percentile)

The Molior database provides insight into the current pricing for newly built developments around the LLDC’s area over the last year. Using the database, the table below comprising 341 transactions has been created showing recorded sales prices for new build flats and houses in the Stratford area.

As can be seen from the table, there is a large amount of pricing variation within unit sizes. When analysed in conjunction with the actual area information for each comparable, it is possible to gather an accurate and up to date picture of values achieved in the period between 2019 and 2020 in Stratford and the immediate area.

	Studio	1 Bed	2 Bed	3 Bed	3 Bed Duplex	3 Bed House
Number of Comparables	8	133	130	50	13	7
<i>Min Achieved Price</i>	£355,000	£395,000	£380,000	£590,000	£790,000	£650,000
<i>Max Achieved Price</i>	£480,000	£833,000	£1,188,000	£875,000	£812,000	£710,000
Average Price	£417,744	£479,786	£611,947	£651,039	£799,231	£662,143
<i>Min Epsf</i>	£950.4	£643.1	£504.3	£554.8	£583.9	£467.4
<i>Max Epsf</i>	£950.4	£1,068.4	£847.2	£706.4	£600.1	£611.0
Average Epsf	£950.4	£801.5	£759.4	£621.3	£590.6	£544.9

It should be noted that the pricing achieved for the 1- and 2-bed flats is skewed by the inclusion of the Manhattan Lofts, which has attracted a considerable premium since being launched. It is included in the comparable evidence as the Stratford Waterfront development will be of a similar quality and may well attract pricing in that region. Some of the comparables are based on only a small number of proven transactions locally so a more detailed pricing analysis would be needed to assess the true value of new units of this type (notably Studio's and the larger 3 bed accommodation).

The affordability of homes in the post-COVID-19 recovery is unknown with a huge variety of factors which will influence individual buyers' circumstances. It is fundamental therefore (as highlighted previously) that LLDC remains able to react to market shifts within the delivery proposals and seeks to deliver a range of housing.

House Price Forecasts

Research by Savills published in November 2019 anticipated house price inflation (HPI) trends over the next 5 years (pre-Covid 19) as follows:

	2020	2021	2022	2023	2024	5-year compound growth
UK	1%	4.5%	3%	3%	3%	14.5%
London	-2%	1.5%	1%	1%	2.5%	4%

The research showed a small, but steady growth of house prices within London. This growth is in line with cost inflation predictions over the same time span, which suggested that the viability of schemes moving forward will not improve significantly and that a more conservative approach to anticipated receipts should be considered.

However, this data did not take into account the recent disruption caused by the COVID-19 pandemic. It is still very early to make clear judgements on what the effect is going to be. Clearly sales volumes will be down in 2020, and some sites will be suffering from delayed completions, but the evidence on house prices is mixed. On 18th June 2020, Taylor Wimpey plc stated that "the

Company expects demand for housing to remain positive. Overall, the Company expects the market environment to support robust sales rates and for prices of new build homes to remain broadly stable over the medium term”. They went on to say that the short term remains uncertain.

Savills updated their house price forecast on 16th June 2020, by applying a 7.5% drop in prices across the UK for 2020, so that the table above now looks like this:

	2020	2021	2022	2023	2024	5-year compound growth
UK	-7.5%	5%	8%	5%	4.5%	15.1%
London	-7.5%	6%	3%	1.5%	1.5%	4%

However, none of these forecasts or comments are specific to the market for housing in the LLDC area, which has appeared to be very resilient in the last 5 years, compared to the rest of London and the UK.

Note that LLDC’s current Long-Term Model (submitted in November 2019) is based on an average of third-party London-wide forecasts (Savills, JLL and CBRE):

	2020/21	2021/22	2022/23	2023/24	2024 Onwards
Rate (per annum)	1.6%	3.4%	2.9%	3.2%	3.5%

These baseline assumptions will be revisited and updated as part of the 2021/22 budget submission process in autumn 2020.

Build to Rent Housing

All the local boroughs have seen a decline in demand for market sale homes. Although Build to Rent is not an affordable product per se, the increase in demand for rental properties means that the sector is expected to continue to grow rapidly over the next 10 years. Currently there is a significant gap between the level of demand for rental accommodation and the number of properties available.

	BTR Market Share	BTR Demand
Hackney	3%	33%
Newham	9%	39%
Tower Hamlets	11%	36.5%

(Based on data from Houzen and reported by Property Week in March 2020)

Stratford, with the success of East Village, has become a leading example of institutional backed private rented accommodation or Build to Rent (BTR).

Whilst there is considerable demand for BTR accommodation across London the quantum of delivered schemes is not keeping pace with the demand. A primary driver in this is the limited availability of the large-scale well-located development sites (200 units +) which appeal to investors and can generate the desired management efficiencies for long term operation. LLDC will consider BTR in its schemes as delivery proposals progress.

Affordable Housing

The Affordable Housing and Viability SPG sets out the Mayor's three preferred affordable housing tenures: London Affordable Rent (LAR); London Living Rent (LLR); and London Shared Ownership (LSO).

London Affordable Rent (LAR) is for households on low income with the rent levels based on social rent levels. This is set out within the Affordable Homes Programme (2016-2021) based on an annual London-wide benchmark for weekly rents, as set out in the table below:

Size	2020/21 Benchmarks	Estimate per month
Studio/1 bed	£159/week	£688/month
2 bed	£169/week	£730/month
3 bed	£178/week	£771/month
4 bed	£187/week	£812/month
5 bed	£197/week	£852/month

Table: London Affordable Rent benchmarks: Updated annual by CPI+1%

Importantly, London Affordable Rent benchmarks are exclusive of service, which typically can add an additional £25 to £30 per week in a registered provider managed scheme (Molior 2020). LLDC's modelled service charge for taller elements of its proposals, most notably Stratford Waterfront, are significantly more than this, meaning it would be not possible to deliver London Affordable Rent in products that attract high service charges, as it will be unaffordable for the resident, and registered providers are unlikely to want to acquire those properties.

London Living Rent (LLR) offers Londoners on average incomes a lower rent, enabling them to save for a deposit. The Mayor has introduced LLR as an intermediate affordable housing product with low rents that vary by ward across London. Where funded by the Greater London Authority, LLR will be a Rent to Buy product, with sub-market rents on time-limited tenancies and seen as a step to home ownership. LLR should be affordable to households on incomes of up to £60,000. Of the four main wards covering the LLDC area the current LLR monthly rent levels are as shown in the following table:

	Hackney Wick	Stratford and New Town	Bow East	Bromley North
1 bed	£767	£806	£879	£786
2 bed	£852	£852	£852	£852
3 bed	£938	£938	£938	£938
4 bed	£1,023	£1,023	£1,023	£1,023
5 bed	£1,108	£1,108	£1,108	£1,108

Table: London Living Rent (per month)

London Living Rent is a relatively new concept and as a result registered providers are uncertain about the degree of staircasing / switching to shared ownership, therefore, LLR units are typically valued against their rental value only. This means that these units, although defined in planning policy and Section 106 Agreements as an Intermediate product, prices offered by registered providers are often akin to low cost rental products. Shared Ownership is a more valuable product to both Registered Providers and Developers.

London Shared Ownership (LSO) is an intermediate ownership product which allows London households, who would struggle to buy on the open market, to purchase a share in a new home and pay a low rent on the remaining, unsold share.

Currently all Intermediate rental products such as London Living Rent and Discounted Market Rent should be affordable to households on incomes of up to £60,000. Intermediate home ownership products such as London Shared Ownership and Discounted Market Sale, should be affordable to households on incomes of up to £90,000. These caps are reviewed and updated where necessary in the London Plan Annual Monitoring Report.

Shared Ownership is an attractive product for Registered Providers to deliver due to the residents' ability to staircase / purchase a larger share over time. Typically, it is assumed that over a 30 to 40 year period a resident (or subsequent residents) will purchase the full stake in the home, at a rate averaging 1-3% a year (Molior 2020). This exposes the Register Provider to the benefit of house price inflation over the long term.

Market Participants

We have also considered the current market in terms of the types of partners we may secure for our schemes, along with the pros and cons of each.

Development Managers

Development Managers will typically use their expertise to source development finance and sub-contract construction works to third parties. They are unlikely to be able to provide much direct equity to projects but would be expected to provide at least some of the risk capital for pre-development tasks such as planning.

Major Housebuilders

The majority of housebuilders tend to operate on a relatively short-term financial model, with returns crystallised at the completion of each phase of development. Such parties are often attracted to opportunities disposed of by means of a conditional land sale agreement, where payment for land is made only at the point that planning permission is in place.

However, there are a number of larger firms who are prepared to take a longer-term outlook. For such firms, the expectation is that upfront investment in 'place-making' (e.g. design, public realm works, infrastructure works, etc.) will help to support higher residential values over the medium to long term. This approach is often complementary to the delivery of multi-phased regeneration schemes.

Registered Providers

There are a number of major Registered Providers (RPs) active within London who have both the capability and, we anticipate, the appetite, to develop the residential component on LLDC's sites.

The major RPs have become increasingly competitive in the market place and can often outbid major housebuilders. This is due to a trend towards reinvesting proceeds from private sales units to deliver affordable units and being prepared to accept a lower profit margin.

Many RPs also develop private for sale units, either directly or under a separate brand. This offers them the ability to develop independently or to work alongside a private housebuilder, which has been the traditional model.

Listed / Major Development Companies

Listed and major property companies will often be more attracted to a Joint Venture structure than a traditional land disposal. This primarily reflects a desire to pursue longer-term opportunities and often to hold assets for a period of time post-completion.

Whilst such organisations will often have regard to the level of development profit arising, as much, if not more, weight is placed upon metrics such as IRR and yield on cost (i.e. the income stream of the completed scheme as a proportion of the total development costs).

There are a wide range of companies which operate within this category and a number of them specialise within specific sectors. For LLDC's sites, the most suitable listed companies will be those with a residential and mixed-use focus.

Contractors

The risk profile of many of the large contractors is broadening and we have recently seen many of them participate in JV structures alongside landowners and developers. This is reflective of a desire to realise higher returns than can be achieved on a normal contractor margin. Some contractors have now established dedicated divisions to focus upon development schemes.

Pros and Cons of each

We have sought to summarise the principal “pros and cons” with each developer type below. Clearly there is a degree of generality to this approach, and the comments will not necessarily apply to all organisations for each respective category.

	Pros	Cons
Development Managers	<ul style="list-style-type: none"> • Willingness to take a longer-term outlook on the development, with less pressure on realising short term financial returns • Ability to adopt a more flexible approach both to means of financial return and delivery model, e.g. scope to directly develop or to prepare serviced parcels for development by a third-party • Access to a wider range of funding sources than developers with a predetermined lending facility in place 	<ul style="list-style-type: none"> • Often have limited financial standing, which can make them reliant upon third parties to provide both seed funding and main development finance • Will ordinarily seek a development management fee in addition to seek a development profit. Collectively this is likely to present a higher margin than a housebuilder would seek • Often have relatively limited internal resource to draw upon • Potentially duplicating LLDC's internal resources / development management abilities
Major Housebuilders	<ul style="list-style-type: none"> • Often able to work off a lower margin than listed development companies and development managers • Typically have access to large internal project teams and supply chains, which provide further cost efficiencies • Ability to leverage internal equity and established funding arrangements 	<ul style="list-style-type: none"> • Financial return is driven through crystallising an early return. This could lead to pressure to deliver product for which there is existing market demand, as opposed to taking a longer term “market creation” outlook • Less inclined to develop significant amounts of non-residential uses, such as commercial space and mixed used elements

		<ul style="list-style-type: none"> • Focus upon financial return may come at the expense of some of LLDC’s wider ‘neighbourhood’ aspirations
Registered Providers	<ul style="list-style-type: none"> • Often able to work off a lower margin than listed development companies, housebuilders and development managers • Ability and willingness to use proceeds from private residential sales to deliver additional affordable housing • Ability to leverage internal equity and established funding arrangements 	<ul style="list-style-type: none"> • Often less inclined to develop significant amounts of non-residential uses, such as commercial space • May lack the ability and reputation to maximise financial returns from the private market units
Listed / Major Development Companies	<ul style="list-style-type: none"> • Ability to consider a range of metrics for assessing financial return, including IRR and development yield, which could be better suited to a longer-term scheme • Often have the ability to develop both residential and commercial uses • More inclined to put greater emphasis upon ‘place-making’ and longer-term value creation, particularly if the intention is to hold completed assets • Ability to leverage internal equity and established funding arrangements 	<ul style="list-style-type: none"> • Often struggle to be as competitive on price as housebuilders, contractors and registered providers, which may impact upon their willingness to bid
Contractors	<ul style="list-style-type: none"> • Often able to work off a lower margin than listed development companies and development managers • Typically have access to large internal project teams and supply chains, which provide further cost efficiencies • Ability to leverage internal equity and established funding arrangements 	<ul style="list-style-type: none"> • Focus upon financial return and delivery may come at the expense of some of LLDC’s wider ‘neighbourhood’ aspirations • May lack the ability and reputation to maximise financial returns from the private market units

Table: Pros and cons of developer types

WHAT HOMES SHOULD LLDC BE DELIVERING?

This section sets out who LLDC is building homes for:

- in terms of housing need and demand, focussing on family and affordable housing;
- how we define quality neighbourhoods, by meeting our Corporate Priority Themes;
- and how stewardship is to be provided over the long term.

Evidence for this section has been drawn from a range of sources including best practice guidance, internal and directly commissioned research, as well as the LLDC's adopted policies. We are delivering homes and neighbourhoods which offer unparalleled opportunity to live in a thriving new part of London. One that is exceptionally well connected to public transport and where global organisations in business, education, culture, technology and leisure are clustered.

Our goal is to create neighbourhoods that reflect their East London location and take full advantage of their unique setting next to the Park, the venues and nearby Stratford and Hackney Wick. Central to this is providing choice for residents and ensuring the delivery of thoughtful, enduring buildings and spaces with fantastic amenities on their doorstep. We are developing lifetime neighbourhoods so that these will be fit for residents now and in the future. This includes homes that are carefully designed to allow flexibility; enabling residents to stay in the area longer and delivering public and community spaces that are welcoming, well maintained and safe for all, and environmentally designed homes that are better performing and more energy efficient.

Who are we building for?

Critical to our Delivery Plan is whom we are delivering for and how this responds to the housing need and market demand evidence.

Family housing continues to be a key need, with the local boroughs identifying a requirement for both private and affordable 3-bed+ accommodation, together with well-designed 2-bed accommodation.

Family Homes

We are committed to delivering family housing in high-quality neighbourhoods. This principle responds to the original Olympic Legacy ambition to address the transience of residents living in the Host Boroughs. However, this is in tension with other LLDC strategic priorities, including the repayment of LLDC's capital borrowing through receipts from housing developments, and the integration of existing and new communities. This is because 3-bed+ housing is often cited by developers as inhibiting scheme viability; and private 3-bed+ housing is commonly unaffordable for local people, as set out above.

We have also learnt a great deal since residents moved into our first neighbourhood, Chobham Manor, in 2015:

- Although 75% of units are 3-bed+, only c.20% of private units sold so far are occupied by families (although others were bought by couples saying they were looking to start families);
- Sales rates for 3-bed+ units are slower than sales rates for 1 and 2-bed units; this extends the total sales period and means that the developer incurs finance and stock holding costs across this period, impacting on their returns;
- 3-bed+ homes are more commonly bought post-completion, rather than 'off-plan' in advance of completion, again, impacting on the developer's cashflow and returns;
- To increase sales rates, developers will occasionally discount the price of smaller 3-bed+ homes to encourage sales, and to benefit from Help to Buy;

- For flats, the sales value per square foot declines as the unit size increases - even if build costs stay constant.

The conclusions that can be drawn from these issues are that large proportions of 3-bed+ flats will impact on the market appetite from developers, as well as overall scheme viability and investment returns, and in turn, LLDC's land receipt. This therefore needs to be balanced against the local need and demand for 3-bed+ homes to find the optimal deliverable solution.

This has resulted in our review of what is defined as family housing and how best to realise this in 2020 and beyond.

Our proposal for our future developments is therefore three-fold:

- Adopt a more flexible approach to the number of 3-bed+ accommodation that is delivered, balancing the need for family housing with an increased provision of 2-bed homes;
- Ensure a design-led approach to the provision of family housing;
- Explore opportunities to de-risk the market sales of 3-bed+ private homes.

We recognise that a design-led approach to family housing is essential to encourage more take-up by actual families. We also see an opportunity to prioritise delivery of 3-bed affordable units over 3-bed private units to meet local need. This would be a balance of unit types to avoid saturating the market with one product, and this is also preferred by Registered Providers from a management perspective.

LLDC plans to explore opportunities to de-risk the market sales of 3-bed private units. Approaches may include using S106 off-site affordable funds to purchase 3-bed units for affordable (as done in 2019 at Chobham Manor); convert 3-bed private units to affordable tenures to access Recycled Capital Grant Funding (as done at Phase 1 of East Wick and Sweetwater); and review how smaller 3-bed 4-person homes could be delivered and priced under the Help to Buy threshold.

The supporting evidence for this approach to family housing is set out in full in Appendix 1.

[Affordable Housing](#)

The other key consideration for LLDC development sites is affordable housing provision. The Affordable Housing and Viability SPG sets out the Mayor's three preferred affordable housing tenures: London Affordable Rent (LAR); London Living Rent (LLR); and London Shared Ownership (LSO), and LLDC will be focussing on these for its affordable housing delivery.

In relation to the affordable housing tenure split requirements, LLDC Draft Local Plan identifies a greater need for low cost rented accommodation within the area and sets out a tenure split requirement of 60% low cost rented and 40% intermediate. Each housing tenure is tailored to different parts of the housing market and relates to different rent benchmarks. This is further nuanced for each of the LLDC sites.

However, to enable the delivery of East Bank's wider regeneration benefits, the Stratford Waterfront planning permission is subject to a Unilateral Undertaking (UU) given under S106 of the Town and Country Planning Act. The UU includes obligations across a portfolio of sites, comprising Stratford Waterfront, Pudding Mill and Rick Roberts Way, requiring 50% affordable housing (by habitable room), with a tenure split of 30% of units to be low cost rented housing and 70% to be intermediate housing. This will be the baseline tenure mix for those specific sites.

The allocation of all LAR homes built on LLDC land will need to have regard to the Clays Lane Nomination Agreement. This is an arrangement to replace the nominations used to relocate the residents of the Clays Lane Estate before the 2012 Olympics. All the developers of LCS sites are

required to follow the Agreement, starting with Chobham Manor. More detail is provided in Appendix 2.

[Build to Rent Homes](#)

LLDC expects a portion of future development to include Build to Rent to meet market demand, and because this provides more affordable housing options for mid-earning professionals, young families and sharers, when compared to purchasing a property. It also helps to deliver development at a more rapid pace, establishing the area much more quickly.

Defining Quality Neighbourhoods

The preceding section dealt with who are we building for and it is also important to highlight what are we building. The key aim is to facilitate the delivery of quality neighbourhoods – these are guided by the Great Estate Principle and enabled through our four Priority Themes:

- Ensuring Environmental Sustainability;
- High Quality Design;
- Promoting Convergence and Community Participation; and
- Championing Equalities and Inclusion.

[Priority Themes](#)

We expect all our developments to deliver high standards of sustainability, inclusion and design quality, actively involving both new and local communities in their development. Since their establishment in 2012, the Priority Themes have been embedded in the procurement of all project teams and development partners (Appendix 3). The current requirements in terms of inclusive design and sustainability are explained below.

[Inclusive design](#)

The local boroughs of Newham, Hackney, Tower Hamlets and Waltham Forest are among the most ethnically and culturally diverse parts of London. We want to ensure an integrated approach - delivering places of outstanding quality, which are welcoming and designed to be inclusive for people at different life stages.

All LLDC housing is required to adhere to the Inclusive Design Standards updated in May 2019. These standards are embedded at brief stage and are enshrined in LLDC Local Plan policy. In addition, all LLDC-led schemes will go to the BEAP (Built Environment and Access Panel). The policy states that all housing provision on LLDC land needs to consider the needs requirements of the surrounding population now and equally in 30 years. This requires designs that can be easily adapted to meet these changing needs over time.

[Sustainability](#)

In 2012, we set out to deliver exemplary Sustainability standards across all our developments which at the time exceeded London Plan policy and Development Plan requirements. For example, these included:

- 40% improvement on 2010 Building Regulations from 2013 onwards;
- Zero carbon buildings, from 2016 for all dwellings and from 2019 for all non-domestic buildings;
- Code for Sustainable Homes (CfSH) level 4+ for all new homes;
- Full Fabric Energy Efficiency Standards (FEES) for all new homes;
- BREEAM Excellent for non-residential buildings, with the exception of retail which would achieve Very Good; and
- 20% of all energy to be from renewable sources.

In addition, to achieve carbon reduction and renewable energy targets all our developments on the Park are required to connect to the Olympic Park District Heating Network (DHN), with the exception of Rick Roberts Way and Pudding Mill which are to use 'reasonable endeavours' to connect due to existing constraints. There is no requirement outside the Park, such as Hackney Wick or Bromley by Bow.

However, experience has shown that it has not been possible to achieve all of our original sustainability standards because of changes in Government policy and the response of the development industry. For example, zero carbon requirements and FEES were not adopted into Building Regulations and instead a lower Target Fabric Energy Efficiency Standard was adopted and CfSH was abandoned with no replacement standard. This shift in the Government's carbon policy and FEES has impacted building supply chain and availability of cost-effective products. Our development partners have therefore struggled to achieve our sustainability standards and were further impacted by changes in regulations on insulation and cladding materials following the Grenfell fire in 2017.

In order to facilitate development, we have therefore been flexible in some areas of sustainability, including amendments in 2018 to our requirements on FEES and CfSH. However, there are still real challenges to achieve Building Regulations and carbon reduction targets through the District Heating Network which poses a conflict with London Plan policies. This will need to be addressed as we progress our developments.

More recently the national and London policy context has evolved. The ITP London Plan includes a requirement for developments to achieve net carbon zero, with additional requirements in relation to air quality, circular economy and carbon off-set funds. At the local level, all of the local boroughs have declared a Climate Emergency.

In response to this, we are moving towards a position where we adopt a more holistic approach to sustainability and employ whole lifecycle assessment from the outset on our projects. Whilst the emphasis is on embodied carbon, this would consider all stages of the process together - briefing, design, construction, operation and disposal. LLDC also has a responsibility to review what has been built and how it is operating - this includes both the homes through post occupancy evaluation, but more specifically, our District Heating Network.

Together these are challenging ambitions and will require further work to enable us to deliver the requirements of the London Plan and changing standards.

[Great Estate Principle](#)

We believe our developments within and surrounding Queen Elizabeth Olympic Park will form part of London's newest 'Great Estate'. This relates with our ambition, as we move towards transition, to create a coherent sense of place by proactively shaping development, maintaining the quality of Queen Elizabeth Olympic Park and careful ongoing estate management.

This builds upon the approaches in other parts of London, like the established Portman and Grosvenor Estates, and more recently, new neighbourhoods like Kings Cross, to deliver neighbourhoods that reflect the unique energy, character and heritage of the Lower Lea Valley and making the most of the existing context. Coordinated architectural, urban and landscape design are essential elements for creating high-quality places that are engaging, safe, usable and beautiful, and which create and maintain value over the long term.

LLDC's response is to adopt a placemaking and site-based design approach, taking local characteristics and histories into account and responding carefully. This includes analysis and interrogation of each site, its context and microclimate as well as site-based design that reinforces

existing opportunities provided by each location in terms of aspect, outlook, proximity to transport, employment and services.

The aim is to develop places that create value in the wider sense, with a variety of typologies and heights. As a development corporation, as well as a regeneration agency and planning authority, we are keen that we build new neighbourhoods with vitality.

Fundamental to this is establishing how development adds value to this part of East London – socially and economically to improve health and wellbeing outcomes. It is important that this impact is felt both in existing surrounding neighbourhoods and the new residents that we will welcome. This is in part facilitated by our design approach.

The Mayor’s Good Growth by Design agenda establishes a London wide strategy to improve design and placemaking throughout the capital for all neighbourhood development, and in particular, housing.

For LLDC this is defined more specifically by our Design Quality Policy (DQP); this sets out how the design and delivery of these new neighbourhoods will respond to the sense of place in East London and ensure character, landscape, and inclusivity are embedded from the outset. Refreshed in 2019 the DQP adds more definition to what is required when designing and building in our neighbourhoods and we highlight three key issues here in relation to homes: the importance of landscape, character and inclusivity (inclusivity is considered above):

- **Landscape** - one of the key assets for us is Queen Elizabeth Olympic Park – it is renowned as one of the best new urban parks in Europe. Therefore, it is expected that all our developments adopt a similarly high-quality approach to the public realm and landscape as a fundamental part of the proposals. These will create a new network of spaces that are clean, green, safe, inclusive, multi-functional, playful and beautiful in the same way the Park is providing a rich diversity of spaces for the enjoyment of all.
- **Character** - prepared and consulted upon as part of the Local Plan Review, the Legacy Corporation Characterisation Study acts as a reference for development proposals within the Legacy Corporation area. It provides a detailed picture of the character of our area today and how it has evolved, focused around the four sub-areas identified within the Local Plan. It identifies physical characteristics of the area, key positive and negative features including prevailing and expected heights, and provides an analysis of scale, massing and grain, as well as opportunities to build on local heritage and green assets. This can help inform how we develop our schemes while understanding the quality of the past.

Summary

As we continue to develop our neighbourhoods, it is critical that they directly respond to the key issues of family and affordable housing. With Chobham Manor, we have learnt valuable lessons in terms of who we are building for and the market appetite for specific housing products. Going forward we will refine our approach to meet the changing needs.

This will build upon our commitment our Priority Themes, ensuring that we deliver well designed neighbourhoods and homes that are inclusive and sustainable. This includes thinking about the stewardship of the place, its character, and landscape from the outset. This place-based approach will ensure developments adjacent to the Park respond to their communities and context. Together they will each contribute to the delivery of an overall ‘Great Estate’ and new homes specifically rooted in East London.

WHERE ARE WE NOW?

The Housing Delivery Plan covers four housing programmes: Legacy Community Sites (currently in delivery); Portfolio Sites; Neighbourhood Centres; and early Feasibility sites. Each of LLDC’s housing projects are part of a programme as outlined in the diagram below:



A description of each project is given below, with individual Project Summaries attached at Appendix 4. Each project can be identified on the plan on page 28.

Legacy Community Sites

The Legacy Communities Scheme (LCS) was granted planning permission in 2012 for a residential led mixed-use scheme providing approximately 6,800 new homes across five new neighbourhoods within Queen Elizabeth Olympic Park (QEOP).

The LCS Permission includes consent for up to 542,817sqm (GEA) mixed-use residential led development comprising residential as well as business and employment uses, retail, leisure, community, health, cultural, assembly and education facilities, including two primary schools and one secondary school. The permission also includes site-wide infrastructure, including utilities, bridges, streets, cycle and pedestrian routes, open space and biodiversity habitat and community facilities. Some of these are important to the fabric of Queen Elizabeth Olympic Park and its integration with its wider context and existing communities, and some reflect planning obligations and commitments made by the LLDC.

Since 2012, the LCS permission has been subject to a number of variations, including the ‘slot-out’ of sites which now form part of the East Bank project. In addition, the LCS planning permission includes a legal obligation to submit new planning applications for Pudding Mill and Rick Roberts Way with additional residential development to make up as much as possible the loss of housing resulting from the East Bank project.

For the purposes of this document, the Legacy Community Sites comprise of Chobham Manor, East Wick and Sweetwater.

[Chobham Manor](#)

Chobham Manor is the first of five neighbourhoods to be delivered on Queen Elizabeth Olympic Park. It will consist of 880 new homes when complete, plus retail and community spaces and new public realm.

The developer is a joint venture between Taylor Wimpey and London and Quadrant (L&Q) - Chobham Manor LLP - who were selected just before the 2012 Olympics. The Development Agreement was signed in November 2012 and work began on site two years later in July 2014, following the Phase 1 Reserved Matters Application which was approved in January 2014.

The scheme includes a wide range of unit typologies: 1-5-bed flats, maisonettes and houses, with 75% designed for family housing (3-bed+). The experimental 'multi-generational' houses (with the fourth bedroom being a self-contained annexe) have all sold well, ahead of other 4-bed houses. Affordable housing comprises 35% of the scheme, revised upwards from 28%, following an intervention by LLDC in early 2020, with a mix of different affordable tenures.

The development is due to be fully complete by 2022. L&Q are the managing agents for all the homes and the whole estate. There are no ground rents but all occupiers pay the LLDC's Fixed Estate Charge, which goes towards the cost of maintaining Queen Elizabeth Olympic Park.

[East Wick and Sweetwater](#)

The new East Wick and Sweetwater districts will comprise c.1850 homes across both neighbourhoods, including affordable and private rented homes.

Approximately 30% of the overall development will be affordable housing. Of the private homes, 50% will be private rented (PRS) and 50% for private for sale, i.e.:

- 30% Affordable
- 35% Private for Sale
- 35% Private for Rent

The affordable homes currently due to be provided are split 30% Social Rent: 30% Affordable Rent: 40% Intermediate, and we are exploring the provision of 20 Community Land Trust homes within these figures, if feasible.

In early 2015, LLDC announced that East Wick and Sweetwater Projects had been selected to develop these two neighbourhoods; a consortium led by Places for People and Balfour Beatty Investments. The Development Agreement was exchanged in February 2015. The Zonal Masterplan for East Wick was granted planning consent in December 2015, Phase 1 received its Reserved Matters planning consent in February 2017 and a start on site was achieved in Autumn 2018 with a preliminary contract, and the formal start of Phase 1 in January 2019.

The first homes are due to be occupied in September 2020 and the baseline full phased programme is due to be complete by 2032. The mixed-use scheme also includes retail, workshop and commercial space to help create a vibrant and lively neighbourhood, linking Hackney Wick, Queen Elizabeth Olympic Park and Here East.

East Wick will have up to 1,100 homes with a mix of housing types, including family housing and private rented housing. It will also benefit from the new primary school (Mossbourne Riverside Academy) which was opened ahead of programme, in 2016.

Phase 1 consists of 302 new homes and 3,250sqm of commercial floorspace. Completion is forecast to be phased between September 2020 and April 2021 with the first completions being the PRS blocks for Realstar, who have funded this element of the scheme. Homes England have provided the funding for Phases 1-4. Some 47% of the new homes in Phase 1 will be larger family units (3-bed+). LLDC will become the owners of a portfolio of 28 PRS units known as the 'co-investment units' which will provide an income stream for 10-15 years, followed by a capital receipt when sold. Pfp will manage these units on behalf of LLDC.

Sweetwater will include a mix of around 750 homes including apartments and family homes with private gardens. It will also include a new primary school which opened in September 2018 as part of the Bobby Moore all-through school, two nurseries, community space, a library and health centre.

The scheme includes the delivery of two new bridges (a new footbridge and a vehicular bridge) and highway works, which will connect Hackney Wick and Fish Island to the Park for the first time when complete in January 2021.

There is an interim use currently under construction called Hackney Bridge, which will be operated by Makeshift (who also run POP Brixton) for 8-10 years comprising artists' studios, workspace for local businesses and canal-side restaurants. Work started on site in September 2019, and it is due to open in phases between September and December 2020.

Portfolio Sites

In May 2018, LLDC sought to maximise the level of affordable housing it can deliver within the constraints of its Long-Term Model in response to the Mayor's Homes for Londoners Affordable Housing and Viability SPG, and therefore looked to amend the existing planning parameters for its future developments.

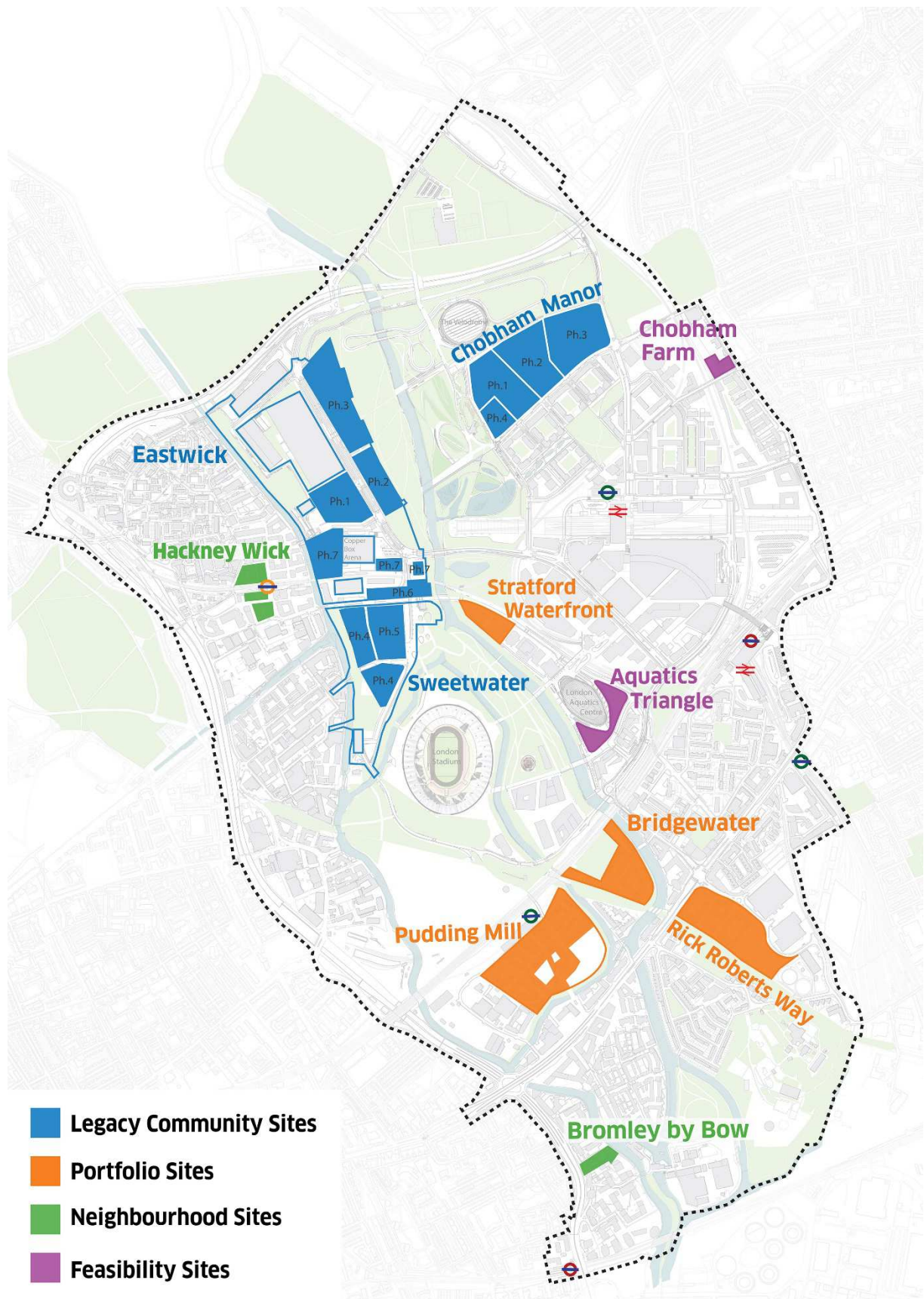
A key change in LLDC's priorities and projects was the East Bank project which was announced in 2017 and will create a world-class destination at Queen Elizabeth Olympic Park, bringing together outstanding organisations to showcase exceptional art, dance, history, craft, science, technology and cutting-edge design. In July 2019 planning permission was granted for Stratford Waterfront, which forms part of the East Bank development and includes a new cultural and education district with 72,899sqm of floorspace that will be home to Sadler's Wells, BBC, University of the Arts London's London College of Fashion, and the V&A; together with up to 65,000sqm of floorspace for a residential led mixed use development.

The Stratford Waterfront planning permission is subject to a Unilateral Undertaking given under S106 of the Town and Country Planning Act, which requires 50% affordable housing (by habitable rooms), with a tenure split of 30% of units as Low Cost Rented Housing and 70% being Intermediate Housing to be provided across a portfolio of sites comprising Stratford Waterfront, Pudding Mill and Rick Roberts Way.

The site-specific requirements are as follows:

- **Stratford Waterfront** is to provide 35% affordable housing, comprising 100% Intermediate Housing;
- **Pudding Mill** (which comprises Pudding Mill Lane and Bridgewater) is to provide a minimum of 40% affordable housing, comprising 30% Low Cost Rented Housing and 70% Intermediate Housing; and
- **Rick Roberts Way** is to provide the required number of affordable housing habitable rooms and tenure split to achieve the overall Portfolio requirements.

To incentivise and ensure the delivery of each of the portfolio sites, the Unilateral Undertaking includes a number of occupancy restrictions including a restriction on the occupation of the last 30% of market units at Stratford Waterfront until the first phase (minimum 150 units) of Pudding Mill has been constructed to first floor slab. We expect this to be on Bridgewater.



Map: LLDC Housing Delivery Programme

[Stratford Waterfront and Bridgewater](#)

To align with the Stratford Waterfront Unilateral Undertaking and mitigate the occupancy risk outlined above, LLDC will bring forward Stratford Waterfront and Bridgewater (the first phase of Pudding Mill) as a single development project.

Adjacent to the East Bank cultural and education district, Stratford Waterfront will provide c.600 homes with 35% Shared Ownership.

To the south of the Park is Bridgewater, an island site which LLDC is currently masterplanning to bring forward approximately 600 homes with 50% affordable homes (10% above the minimum requirement set out in the Stratford Waterfront UU) in a landscaped setting with a focus on family homes, and new connections both into the Park and the surrounding area. A planning application is due to be submitted in early 2021.

Procurement for a Joint Venture development partner is expected to launch in Autumn 2020 with a view to appoint by late 2021.

[Pudding Mill Lane](#)

Alongside Bridgewater, a detailed mixed-use masterplan is currently being developed for the site at Pudding Mill Lane, which will provide new homes, senior living accommodation, employment space, retail, a nursery, medical centre, pharmacy and community uses, alongside new public spaces.

The emerging masterplan envisages c.950 homes across a range of unit types and tenures targeting c.65% family homes (2-bed+) and 45% affordable housing (5% above the minimum requirement set out in the Stratford Waterfront UU) in a mix of LAR, LLR and LSO.

An outline planning application is expected to be submitted for this project in early 2021 with a view that a procurement process will commence thereafter to identify and appoint a development partner or partners for the delivery of the project.

There are a number of interim uses on the Pudding Mill Lane site, both in occupation and proposed, which provide a valuable source of revenue income for LLDC, as well as helping to embed early place-making. The phasing of housing delivery will need to be carefully planned around vacant possession dates.

Pudding Mill Lane is also one of our new Neighbourhood Centres, which is described more in the following section.

[Rick Roberts Way](#)

Work is progressing to develop a brief for a new masterplan for the Rick Roberts Way neighbourhood, on a joint basis with the London Borough of Newham who are co-owners of the site with LLDC. We are also in discussions with National Grid, who owns the adjoining gasholder site to the south. The London Borough of Newham have identified the need for a new secondary school on this site and LLDC are looking to provide at least 450 new homes to meet the Unilateral Undertaking requirements, along with associated open space, retail space and community uses.

The current programme aims for the masterplanning process to be complete by mid-2021 and an outline planning application submitted for the residential element by late 2021. The procurement process for a development partner could start in 2021, but is dependent on agreeing a land settlement arrangement with Newham. The site is currently occupied by three different interim uses, which all have break clauses in March 2022.

Neighbourhood Centres

As our housing development progresses, the retail and leisure requirements of existing and future residents will grow. The LLDC Local Plan therefore recognises the need for expansion of functions within the existing centres and the development of new centres to meet local requirements.

LLDC's development sites at Pudding Mill, Hackney Wick and Bromley-by-Bow will all provide new centres through comprehensive redevelopment and regeneration interventions. Commercial space within these mixed-use developments should provide an immediately localised function, such as small-scale retail or community uses, be designed flexibly to maximise potential take-up, be finished to a standard to facilitate take-up and be suitable for interim uses where take-up is slow.

Pudding Mill Lane

Pudding Mill Lane is designated as a new Local Centre serving a localised catchment, with small-scale retail office and workshops. Our emerging masterplan looks to focus these uses along the main east-west and north-south routes, and adjacent to the DLR Station at the southern gateway to the Park. The combination of uses on this site, will support a diverse and vibrant neighbourhood as well as the creation of a new mixed and balanced community.

As well as providing a local centre, Pudding Mill Lane is one of LLDC's Employment Clusters, and will provide c.36,000sqm of commercial space. As part of LLDC's Commercial Strategy and emerging Workspace Strategy, we are currently exploring the market demand for tech industry and life science occupiers to form a cluster and support the wider regeneration objectives for the area.

Hackney Wick Central

Over the Lea Navigation canal, and spanning the border between LB of Hackney and LB Tower Hamlets, the Hackney Wick Central development will provide a new Neighbourhood Centre for the Hackney Wick and Fish Island area, around the recently improved Hackney Wick Station.

The LLDC Local Plan provides policy support and guidance for the delivery of a mixed-use development at the heart of the future Hackney Wick Neighbourhood Centre. To facilitate and stimulate the development of this neighbourhood centre, which is in multiple landownerships, LLDC, in conjunction with LB Hackney, submitted an outline planning application in May 2016 for the Hackney Wick Central Masterplan.

The aim of the Masterplan, which secured consent in March 2019, is to:

- Create a vibrant mixed-use 'centre' that re-provides existing employment floorspace as new workspace, retail and community facilities alongside a significant number of new homes;
- Establish new routes and public spaces that will improve connectivity, accessibility and legibility of the area;
- Enhance the Conservation Area by ensuring high quality development that builds on Hackney Wick's distinctive character and industrial heritage, improves the setting for the heritage buildings and supports the area's residential, cultural, creative and business communities.

Within the Masterplan area, LLDC own three strategic sites which it is anticipated will deliver c190 homes and around 4,500sqm of commercial space, studios, flexible retail and community facilities.

The newly upgraded, award winning Hackney Wick Station has recently been completed with significant funding from LLDC, and these three sites (two of which neighbour the station) are key to the area's changing context. The creation of a new 'North-South Route' through the new station and Hackney Wick area will significantly improve permeability and connectivity for local communities and businesses.

The Masterplan Consent requires a minimum of 50% affordable housing on LLDC's three sites, of which the tenures must be 42% London Affordable Rent and 58% Shared Ownership, by habitable room.

LLDC are currently undertaking a procurement process to select a development partner to deliver the three sites. The GLA's London Development Panel 2 (LDP2) procurement framework is being used to select the preferred developer. The Sifting Brief stage was launched on in January 2020, and the Invitation to Tender is expected to be published to the shortlisted panel members by mid-June/early July, with tenders submitted September 2020. This will allow a development partner to be appointed by the end of the calendar year. It is anticipated that a start on site could be achieved in the Spring of 2022.

[Bromley By Bow](#)

The Bromley by Bow site is identified in the LLDC Local Plan as a new District Centre and LLDC is working alongside several adjoining landowners to bring forward this project. The site is in fragmented landownership and has a variety of technical constraints.

To address these challenges a comprehensive Masterplan was jointly commissioned in 2015 by the six landowners within the area, led by LLDC, to establish a coherent vision for development of the area. This masterplan was tested against local planning policy and formed the basis for the Bromley by Bow SPD, which was adopted by the LLDC in April 2017.

The intention of the masterplan and SPD is to enable phased development to come forward through detailed planning applications within each land ownership, whilst delivering a coherent vision for the area. The site will deliver a mix of uses including c.1700 new homes, employment space, retail, a primary school, community uses, open spaces and the delivery of public realm and infrastructure, including a new junction on to the A12, providing greatly improved connectivity to the wider area.

LLDC own a small piece of canal frontage land in the northern quarter which will be brought forward as part of the scheme, and should accommodate approximately 150 homes.

The first phase of this development, c.900 homes (50% affordable), is already on site and being development by the Guinness Partnership. The remainder relies on the relocation of the Tesco superstore and the completion of the A12 Junctions works, being led by TfL.

Feasibility Sites

To increase its supply of housing, LLDC has sought to identify additional smaller development plots, beyond the original Legacy Communities Schemes neighbourhoods. These are our early Feasibility sites, at Chobham Farm North and the Aquatics Triangle.

[Chobham Farm North](#)

LLDC own a small site adjacent to London and Continental Railway's (LCR) larger Chobham Farm project, which when combined with one of LCR's plots, will create a development parcel of 0.41ha, which is expected to deliver approximately 80 homes. The intention is to agree a joint disposal arrangement with LCR, before marketing the site to developers as a freehold development plot.

[Aquatics Triangle](#)

The Aquatics Triangle is a small site to the south east of the London Aquatics Centre (LAC), which provides a potential development site of up to 0.5ha. The site is at the junction of Pool Street and Carpenters Road, west of the railway line and north west of the UCL East development site.

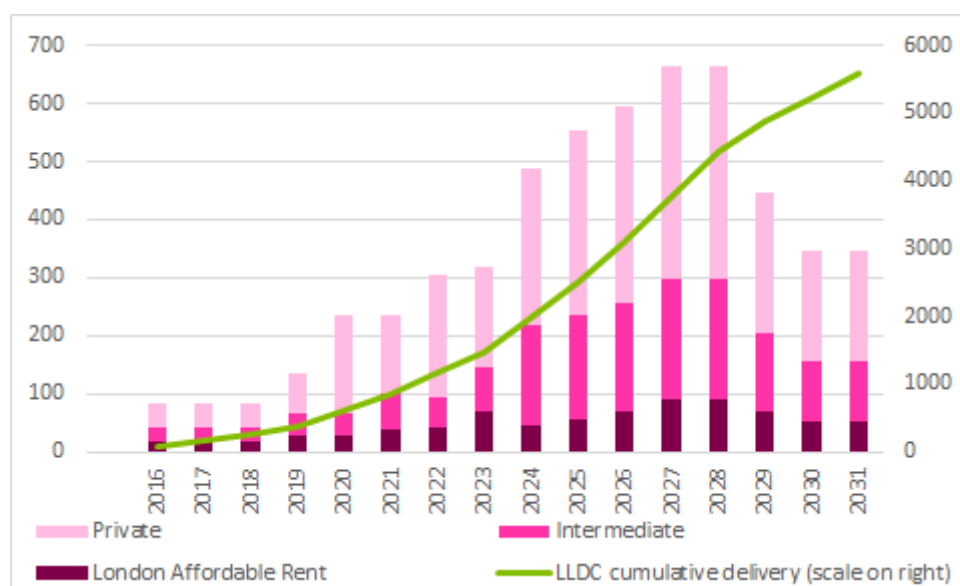
The site is currently green parkland and is designated as local open space in the Local Plan. In addition, the open space contributes to the public open space and Biodiversity Action Plan (BAP) habitat required by the 2007 Olympic and Legacy Transformation planning permission. Although the Local Plan seeks to protect local open space, the local planning policy also promotes residential development in this area where this will provide for strategic housing requirements.

An initial feasibility study was undertaken in 2017. The focus of this study was to address landscape improvements but highlighted a development opportunity by reconfiguring and improving the open space, road and pathway infrastructure.

Following a more detailed feasibility study in 2018, including surveys of utilities and ground conditions, LLDC is now preparing a brief to secure a development partner to take forward detailed design, planning and delivery of this site. It is anticipated that the project could deliver approximately 120 new homes, of which 50% would be affordable, along with significant improvements to the public realm.

Summary

Overall, the Housing Delivery Programme is set to deliver c.5,870 homes across the Park and MDC area. Significant progress has been made on Chobham Manor and East Wick, and LLDC are now seeking to accelerate delivery from the current level of c.100 homes per annum, whilst in the planning and enabling stages, to over 500 new homes a year by 2025 through to 2028.



LLDC Forecast Housing Completions p.a.

BRIDGEWATER



CHOBHAM MANOR



EAST WICK AND SWEETWATER



HACKNEY WICK CENTRAL



PUDDING MILL LANE



STRATFORD WATERFRONT



HOW WILL LLDC DELIVER NEW HOMES?

The Queen Elizabeth Olympic Park neighbourhoods will be delivered by strong partnerships between LLDC and developers, achieving commercial value and capital receipts, whilst also ensuring that ambitious high-quality design, accessibility and sustainability standards are set and met throughout the development lifecycle. The planning and delivery strategy for each site will be project specific, with a full analysis of the options submitted at Business Case stage. The summary below sets out the currently approved strategy for specific sites, and the guiding principles and considerations for future projects.

Planning Strategy

LLDC's baseline strategy is to secure outline planning permission on its landholdings prior to disposal. This is to add value by de-risking the project for potential developers, whilst embedding high-quality design and appropriate parameters within the planning approval.

In 2012 LLDC secured outline planning consent for 6,800 homes as part of the LCS, which also provided the framework for the procurement of development partners for Chobham Manor, East Wick and Sweetwater. Each development partner is responsible for subsequent applications for Reserved Matters Approval (RMA) as well as compliance with, and the discharge of relevant planning conditions and obligations.

A similar planning strategy is being implemented for LLDC's Portfolio Sites. Outline consent was obtained for the residential development at Stratford Waterfront in July 2019 and will now form the basis for development partner procurement.

For Pudding Mill and Rick Roberts Way, LLDC is required to submit planning applications for both these sites by 31 December 2021 with the intention to achieve a greater residential floorspace than the original LCS planning permission, in order to make up as much as possible the housing capacity which has now been superseded by the East Bank developments.

LLDC procured masterplanning teams for the Pudding Mill sites in Summer 2019 and is currently preparing a new masterplan with a view to submitting outline planning applications for the component sites of Pudding Mill Lane and Bridgewater in early 2021.

Rick Roberts Way is in the joint ownership of LLDC and LB Newham and discussions are progressing on the preparation of a masterplan brief, the procurement of which is to be launched in Summer 2020. The programme is slightly behind that for Pudding Mill and is therefore currently being reviewed to ensure that the planning application submission date is still achievable.

For Hackney Wick LLDC led a masterplan for the area comprising LLDC owned sites, as well as those owned by third parties. The objective of the Hackney Wick Central Masterplan was to provide a planning framework for coordinated development across sites in multiple land ownership and to secure key connections and public realm. The masterplan informed an outline planning application which was granted consent in March 2019. All detailed RMAs, including those of third party landowners, will be submitted under the outline permission.

A similar approach has been taken at Bromley by Bow which is also in multiple ownerships. A joint masterplan was commissioned in 2015 to coordinate development across the area. However, unlike Hackney Wick, the masterplan did not result in an outline planning application, but instead provided the basis of a Supplementary Planning Document (SPD) which was adopted in 2017. All development proposals will now be assessed against the SPD.

A different planning approach will be taken on the feasibility sites, where LLDC will not seek to obtain planning permission prior to developer partner procurement and obtaining consent will be the responsibility of developer partners. This approach is driven by a combination of factors including the smaller scale development at both the Aquatics Triangle and Chobham Farm North sites, as well as site specific requirements which warrant developer input into the design.

The Aquatics Triangle is a constrained site in a prominent location within Queen Elizabeth Olympic Park, adjacent to the London Aquatics Centre. The approach is therefore to procure a development partner first, using the Stage 1 design information and a Planning Brief or supporting letter from PPDT. The developer will then be responsible for detailed design and seeking planning consent, ensuring that the design addresses the requirements of Planning Policy BN.10 of the Local Plan - Proposals for Tall Buildings.

The Chobham Farm North site is a joint scheme with the adjoining landowner, London Continental Railways (LCR). Because of the small size of the combined site and interface with LCR's land, the cost of obtaining outline planning permission prior to developer procurement is not justified and the intention would be for the selected developer to obtain all planning consents.

Enabling Infrastructure

QEOP and the surrounding areas are dissected by a variety of both natural and man-made barriers. Some of these 'barriers' add value, such as the rivers and canals, and LLDC has invested heavily to ensure that the impact of the area's industrial past is addressed through improved connectivity, bringing the area back to life.

LLDC have also invested significant sums in the early delivery of social infrastructure to support housing delivery. Social Infrastructure is vital to successful neighbourhoods and the LCS planning consent includes schools, nurseries and health centres and community facilities. Whilst these facilities are sized to meet the needs of our developments, they have been strategically located within the context of existing facilities in the area and on the edges of the Park so that existing communities can also benefit.

To attract families to the area LLDC made a strategic decision to construct and open the three schools some 4-6 years earlier than required by the LCS planning permission. Mossbourne Riverside Academy (a 3FE primary school with nursery) in East Wick opened in September 2016; the Bobby Moore Academy is an all-through school with 2FE primary school at Sweetwater which opened in September 2017; and a 6FE secondary school with sixth-form opened in September 2018 on the Stadium Island.

LLDC are now working with the Clinical Commissioning Group and relevant developer partners on the delivery of the health centres which will be located in Sweetwater and Pudding Mill Lane.

Connections between existing communities and the new developments is the final strand of this enabling infrastructure. It will stimulate greater investment and allow access to the range of opportunities on the Park.

Movement through the area is, at times, fragmented and access to and from certain areas from key transport nodes can be convoluted. Many of the key routes are already in place but are either overused, no longer fit for purpose requiring upgrade, currently not used due to security or safety reasons, or new infrastructure needs to be installed to facilitate or improve key connections across the area.

Enhanced links will help to create a vibrant network of new communities, improve Public Transport Accessibility Levels (PTALs) for new and existing residents and will help to make key links safer for all users.

LLDC has identified the key priority connectivity projects which will help to support the delivery of our new homes, where it can be pro-active in leading or supporting delivery prior to Transition (see Appendix 5).

To deliver these projects, funding will be sought through a variety of channels including, but not limited to, S106 / CIL contributions collected by LLDC as LPA, key stakeholders (GLA, TfL, Network Rail, etc), private developers, LLDC partner developers, boroughs and Homes England.

This forms an integral part of our Housing Delivery Plan, to ensure that our new neighbourhoods are well connected and safe.

Delivery Strategy

Each project is different and so a one size fits all approach is not appropriate. Local factors and constraints make individual projects unique, each with different problems to solve. These issues need to be assessed and addressed from the outset and continually reviewed throughout to ensure that the proposed approach is still the most deliverable.

Balancing Objectives

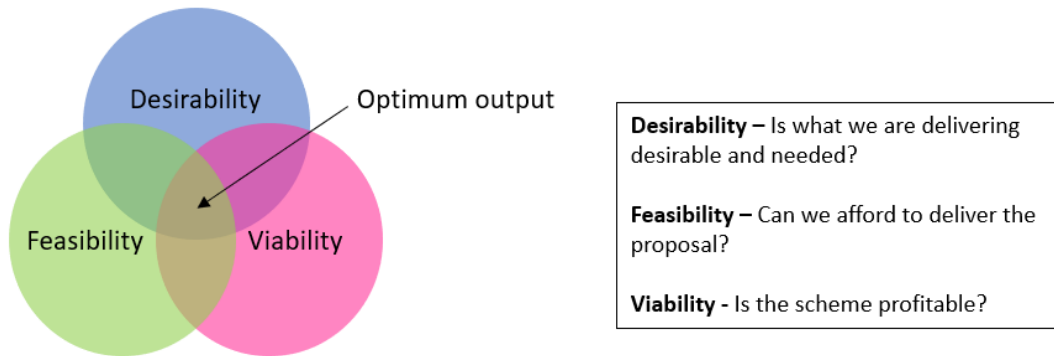
The diagram below represents a summary of all the objectives commonly held by each of LLDC’s housing sites. Three themes have emerged:

- To be market leading through the Priority Themes, the Great Estate Principle and provision of family housing;
- Deliver at least 50% affordable housing, on sites not already under contract;
- Deliver profitable and commercial schemes for the benefit of LLDC and partners.



There are challenges in achieving all elements of these three objectives, and an appropriate balance will need to be agreed for each site at the time of procurement.

Total value is not the only driver to a project being successful. Factors to consider include availability of finance, market demand from developers, buyers and occupiers for the product, placemaking and overall viability. There are three primary factors or tests which should be considered concurrently and referred to at every stage of a project - **Desirability, Feasibility and Viability**.



Regular review of each project is particularly important in the post-COVID-19 environment, to assess and respond to fluctuating or changing market factors. LLDC may need to be adaptable in its approach in order to deliver new homes and sustainable communities for the future. However, this will be framed against four key factors:

- Retaining an element of control over what is delivered;
- Ensuring that strategic obligations are met;
- Ensuring funding is available; and
- Ensuring that returns are aligned with Corporate forecasts (LLDC’s Long-Term Model).

Feasibility / Viability Reviews

Associated with the above, LLDC has a strict viability review structure, to not only ensure all factors influencing a project are regularly assessed and scrutinised to deliver the optimum scheme, but also to ensure that the longer-term financial outputs are aligned with Corporate objectives.

As part of this, the market is regularly reviewed and site-specific evidence collated across all areas to provide a record of the financial inputs and informed reasoning behind the financial analysis. Financial modelling is updated at key milestones within the project programme, to sense check these assumptions at each stage and ensure the approach remains robust and deliverable.

Viability Gateway Reviews will be undertaken at strategic milestones throughout the design development and delivery of projects to ensure that the project still meets Corporate aspirations and that progress can be monitored and regularly reported back to Board and the GLA.

To ensure that LLDC’s pricing is in line with the local area, and as part of the financial modelling process, comparable evidence will be sourced where possible to inform our pricing strategy. This database will be regularly updated and will be used in conjunction with Viability Gateway Reviews to ensure that pricing is maintained at rates that are aligned with those being achieved around the Park.

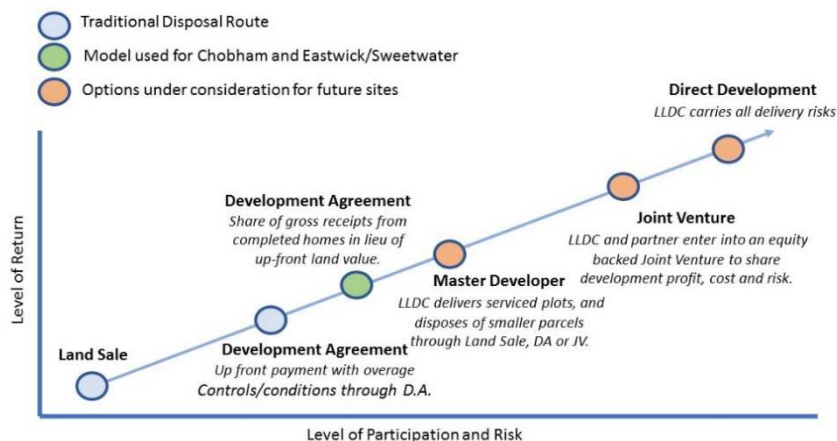
Delivery Structures

LLDC will continue to work towards achieving its Vision by requiring its development partners to demonstrate how they will meet LLDC’s aims and objectives through the procurement process: meeting the requirements of the recently refreshed GLA Responsible Procurement Code; using balanced evaluation criteria to ensure that design quality, accessibility and sustainability are taken into consideration in choosing development partners; and including appropriate obligations in planning consents, development agreements and other contractual arrangements.

The delivery structure adopted for each individual project needs to reflect the level of involvement and control required by LLDC to ensure that the strategic objectives of design quality, accessibility, sustainability, employment creation and long-term value capture are met. Whilst some

of these will be embedded within the planning consent, planning alone does not give adequate levers to drive the pace of delivery, which must be enforced through the contractual arrangements.

There are a range of contractual mechanisms LLDC could employ to govern the relationship between it and a development partner. Each varies in terms of the level of participation/risk and potential level of return, as outlined in the figure below:



For both Chobham Manor and East Wick and Sweetwater, LLDC has entered into Development Agreements, receiving a share of receipts from completed homes at the point of sale. By deferring payment, higher land value receipts have been generated, and LLDC has realised the benefit of investment in strategic infrastructure such as connections, public realm and schools, but at a slow pace over which LLDC has had limited control. This contractual arrangement is well suited to smaller, single phase developments, but does not afford sufficient flexibility to deal with policy and market changes over the life of a longer-term multi-phased development.

The revised Long-Term Model therefore assumes that for the larger sites LLDC will enter into Joint Ventures, increasing the level of participation and influence, alongside the level of risk and return.

For certain other sites, where LLDC’s land interest is very small, or part of a larger third-party development project, it is likely that delivery will be through a land sale to an adjoining landowner or developer.

For each site, the delivery route will be assessed at Business Case stage to ensure that the most appropriate arrangement is recommended. A key factor in selecting an appropriate route is to achieve the required receipt target in the Long-Term Model, meet the public-sector objectives (including delivering genuinely affordable housing and LLDC’s Priority Themes), embed the lessons learnt across GLAP and LLDC’s existing development sites and present a clear and coherent offering to the developer market.

Typically, in order to define a procurement strategy for each site, LLDC reviews the individual site requirements (project scope), seeks market feedback on the opportunity (key insights), defines the requirements (procurement brief) and then drafts a full procurement strategy. Each delivery option / procurement strategy contains four key criteria:

Financial Flexibility	<ul style="list-style-type: none"> - Ability to share in future value growth - Scope for LLDC to invest into the development
Risk and Resourcing	<ul style="list-style-type: none"> - Ability for LLDC to transfer construction risk - Ability for LLDC to transfer sales risk - Ability for LLDC to limit its future resourcing risk
Control	<ul style="list-style-type: none"> - Ability to retain an interest in shaping the scheme throughout implementation - Ability to impose positive obligations on its development partner(s) - Ability to impose ongoing landowner standards for design and other standards
Procurement	<ul style="list-style-type: none"> - Scope to run an expedited process - Ability to progress larger sites in phases

Each disposal route is considered in more detail below.

Land Sale

A traditional Land Sale Agreement requires the Developer to pay a land premium upon draw down of the land or on a deferred basis. The land premium is defined as a fixed sum within the sale agreement. Once the land is sold, the landowner relinquishes control to the purchaser. Such an arrangement would typically also include overage provisions, linked to the quantum of development ultimately delivered and end sales values.

The advantage of this structure to LLDC is that it would agree a fixed lump sum payment on disposal of the land, hence avoiding future sales risk. This approach also avoids a resource intensive procurement process, as the traditional land sale is not captured by the Public Procurement Regulations.

A land sale could be undertaken through an option agreement, whereby the disposal would be conditional upon detailed planning permission being achieved, at which point the land would be transferred. Payment could be delayed until the completion of the scheme, but the price would be fixed at the outset.

A deferred land payment (or series of payments) should have a significant benefit, in terms of the overall land value, as a deferred payment structure will have significant benefits for the developer, in terms of peak capital expenditure, financial risk exposure and Return on Capital Employed (ROCE).

However, whilst a deferred payment (at the end of the development period) would generate a higher land receipt compared to an upfront payment, this would create a risk to the LLDC of not receiving its land payment in the event that the developer becomes insolvent, or is unable to complete the development. A funder is likely to require a first charge over the land in order to recover its investment, in which case the LLDC would have not control under the land sale agreement to guarantee its payment.

The LLDC would also have no control over the design and delivery of the site, other than through the planning process. The regeneration objectives would be less likely to be achieved, with no contractual conditions in terms of design quality and delivery timescales being imposed on the developer.

This route is therefore only likely to be favoured for our smaller sites, where our land will be combined with other much larger landownerships, and where the regeneration benefits are secured through planning policy, such as the SPD at Bromley by Bow.

Development Agreement

A Development Agreement (DA) is effectively a Conditional Sale Agreement with a development partner. The agreement transfers the development risks of costs increases and value decreases to the developer, whilst providing LLDC, as landowner, a 'guaranteed' land receipt.

A DA enables a greater degree of control in comparison with a Land Sale, through the imposition of positive delivery obligations or a detailed specification. This route enables the LLDC to achieve several objectives, which would not be possible through the planning process alone, for example:

- The ability to specify how the developer procures its design team, e.g. having an architect that specialises in the design of tall buildings;
- The opportunity to approve designs before they are submitted for planning, to ensure that they achieve the right balance in terms of the LLDC's design, regeneration and commercial objectives;
- Specify how space is to be designed, used and managed.

However, LLDC's experience of procuring and managing large scale developments under Development Agreements has shown that ultimately the risks of slow delivery and decreased viability still flow back to LLDC, albeit, indirectly. Whilst the developer has the 'right' to develop, the contractual arrangements are never strong enough to 'enforce' development.

Furthermore, the constraints of an OJEU procurement process to secure the developer leave little flexibility to renegotiate terms as a later date to reflect genuine policy or market changes. This often results in 'stalled' developments.

However, LLDC will continue to use Development Agreements for its smaller single-phase sites, such as Hackney Wick Central and the Aquatics Triangle, which are less likely to be impacted by market and policy changes post-contract. Generally, this will be through the GLA's London Development Panel (LDP2), which is a single-lot framework of 29 well-established developers, house builders, contractors and Registered Providers who have been carefully selected through a rigorous competitive procurement process, using LLDC's Bridgwater site as a test case.

The Panel offers comprehensive development and construction services, providing a streamlined and efficient method for selecting development partners. In summary, LDP2:

- Is a framework for residential-led development to support the Mayor's ambition to accelerate housing development;
- Can be used for both development and construction opportunities in Greater London;
- Is available free of charge to certain public landowners and RPs who sign an Access Agreement with the GLA;
- Can offer a quick and efficient means of selecting a development partner in comparison to other procurement methods;
- Offers a comprehensive range of development services;
- Can deliver cost savings through the Panel's defined Mini-Competition process and standardised set of Call-off Contracts;
- Offers flexibilities around how Panel Members can bid in Mini Competitions.

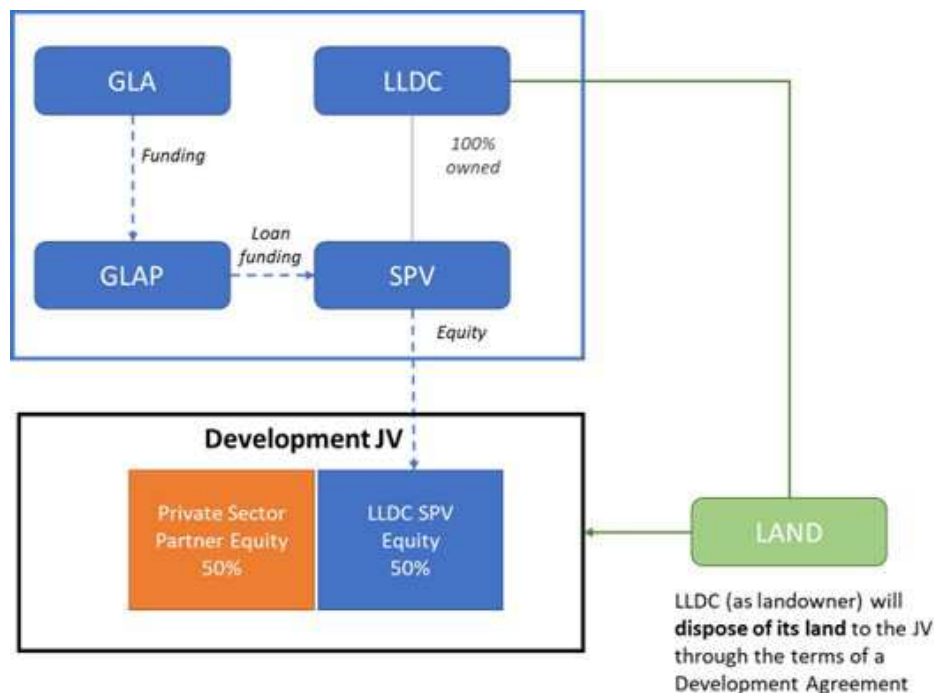
The LDP2's principal advantages are its speed and early focus upon developers' proposed solutions for a scheme. It avoids the often-time-consuming assessment of track record and financial standing at early procurement stages - these elements having already been tested. It also reduces the amount of legal negotiation, as it adopts a standard template contract, saving both time and costs for LLDC.

The principal weakness with the LDP2, in our opinion, is that it limits the market that could compete for LLDC's sites. This is particularly so where a more complex commercial structure is pursued, for example, the establishment of a corporate Joint Venture.

Joint Venture

A Joint Venture (JV) approach provides more direct control and transparency, through LLDC being a partner in the JV. It also affords more flexibility to a long-term, multi-phased development to amend the Business Plan, should that be required to reflect changes in policy and/or market.

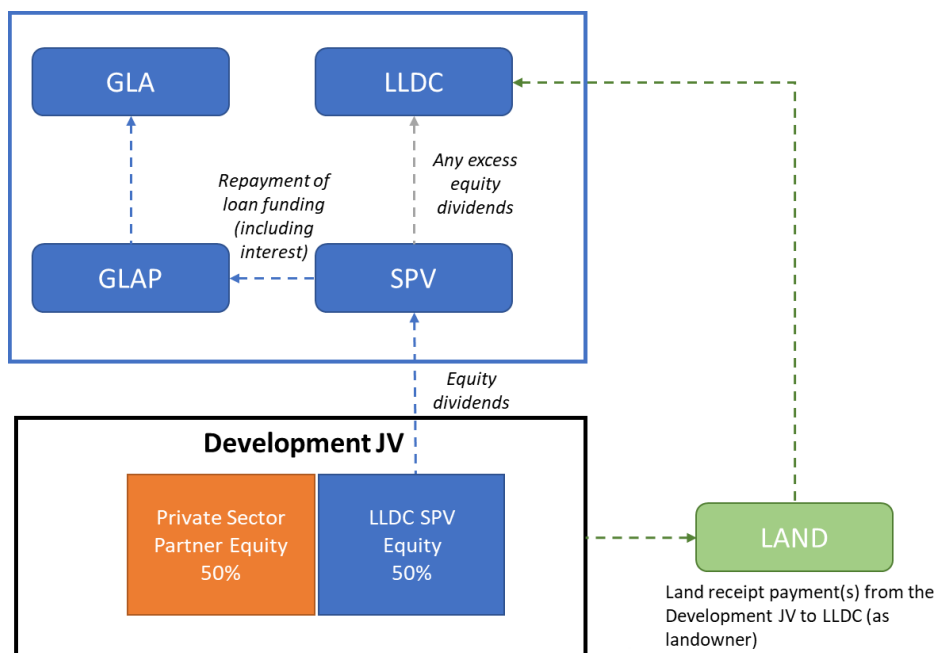
LLDC has approval from the Mayor to enter into a Joint Venture with a development partner for Stratford Waterfront and Bridgewater. GLAP, on behalf of GLA, will provide loan funding to an LLDC wholly owned Special Purpose Vehicle (LLDC SPV). The approved funding structure is summarised in the diagram below, showing the flow of funds into the Development Joint Venture:



Loan funding into the LLDC SPV will consolidate into the LLDC Group accounts and, therefore, be counted against the £520m borrowings limit. The current estimate of the required funding shows that an increase of up to **£43m** to LLDC’s borrowing limit between 2021-22 to 2024-2025 will be required as a result. This means that we may need to consider alternative structures for Pudding Mill Lane and Rick Roberts Way, in discussion with City Hall.

LLDC, in its capacity as landowner, will enter into a ‘light’ Development Agreement with the JV and dispose of its land through the grant of head leases of the sites. Land will be drawn down once consent of the parties has been secured, through fulfilling conditions such as compliance with LLDC Priority Themes, demonstration of funding and achieving satisfactory Reserved Matters consent.

The diagram below shows the flow of funds back from the Development JV to LLDC (as landowner), the LLDC SPV and ultimately back to the GLA:



Through this structure, LLDC receives both land value, and a share of development profits to its subsidiary SPV, enabling it to capture some of the future ‘value uplift’ created from its wider investment in the Park and surrounding areas. The model creates a situation where the public sector has a vested interest in not just the affordable housing and visionary elements of the project, but in the true commercial success of the project, and shares a significant portion of the risk, and therefore should give substantial comfort to bidding partners.

The activity of the JV is likely to extend beyond the expected life of LLDC, and is anticipated that it would transfer to GLAP during the lifetime of the project, given GLAP’s role as the GLA’s land holding company.

Whilst LLDC’s borrowing cap currently only enables this structure to work for Stratford Waterfront and Bridgewater, we will continue to explore variations and options to apply this to other future sites, such as Pudding Mill Lane.

Master Developer

LLDC is already undertaking a master developer role through the Legacy Communities Scheme. LLDC (and its predecessor bodies) has provided much of the Park infrastructure in terms of the District Heat Network, site wide utilities, green infrastructure, and social infrastructure such as schools and nurseries.

To date LLDC has parcelled each development plot into large phases - Chobham Manor (over 800 homes) and Eastwick and Sweetwater (over 1,500 homes), which are then sub-divided into phases by the development partner. Under a Master Developer role, LLDC would release smaller plots to the market, taking responsibility for the delivery of shared site infrastructure to enable smaller serviced plots to come to market. These plots could be as small as one dwelling house or as large as a whole sub-phase, c.200 homes.

This approach could create challenges, as it would require a significant increase in funds and in procurement activity of partners, and also exposes LLDC to a greater level of construction risk. However, this risk would be balanced by: firstly, a significant ability to exert control over the place and quality of delivery; secondly, increased financial return per hectare sold; and thirdly, an expanded market of potential development partners and even groups of owner occupiers. Finally, it would be a mechanism of negating some of the planning delivery restrictions between sites imposed

on the Portfolio Sites. We will therefore continue to explore the potential of this structure for Pudding Mill Lane specifically.

Direct Delivery

Whilst direct delivery could provide LLDC with a greater financial return, LLDC does not have the equity funding or borrowing capacity to enable it to do this, so this delivery route has been discounted from our Housing Delivery Programme.

Summary

At present, it is anticipated that the following delivery structures will be used:

Development Site	Homes	Delivery Structure	Delivery Structure Approved	Status	Start on Site	PC
Chobham Manor	880	Development Agreement (share of gross receipts)	Yes	Onsite, Progressing	2015	2022
East Wick and Sweetwater	1850	Development Agreement (share of gross receipts)	Yes	Onsite, experiencing some challenges	2019	2032
Stratford Waterfront and Bridgewater	1200	Joint Venture	Yes	Procurement route approved	2024	2030
Pudding Mill Lane	950	Possible Master Developer with combination of Development Agreement and/or Joint Venture	TBC	Masterplan underway	2024	2031
Rick Roberts Way	450	Development Agreement (upfront land value, plus overage)	TBC	Early stages of masterplanning	2025	2028
Hackney Wick Central	190	Development Agreement (upfront land value, plus overage)	Yes	Procurement underway	2022	2026
Aquatics Triangle	120	Development Agreement (upfront land value, plus overage)	Yes	Procurement documentation being prepared	2024	2027
Chobham Farm North	80	Land Sale	TBC	Feasibility	2021/22	
Bromley by Bow	150	Land Sale	TBC	Feasibility	2024/25	

Monitoring Delivery of Design Quality

To create London's next Great Estate requires a commitment to the delivery of well-designed neighbourhoods, homes and public realm. Our approach includes learning from what both LLDC and other developers are delivering that could be seen as best practice – both in terms of the quality that is eventually built and the processes required to deliver it.

Specific measurable standards are contained within each of the Priority Themes policy and standards. As an organisation, LLDC demonstrates a long-term commitment to design by providing ongoing support through the design, planning and development stages of all projects, ensuring that the design process is robust. This starts with clear briefing and procurement documents which use the local context, housing need and demand, and the aforementioned standards to set the bar for quality. This is interrogated and maintained through regular internal design reviews. In line with Government and Mayoral guidance, all LLDC schemes are required to submit to the Quality Review and Built Environment Access Panels, in addition to proactively engaging with local groups, such as Legacy Youth Voice, and key stakeholders from the Host Boroughs and their communities. We will ensure all LLDC projects are developed in a manner that ensures they will adhere to our Great Estate Principle, and by association, our Priority Themes and relevant standards.

As an example, LLDC has developed guidance for Chobham Manor homeowners to advise them on the alterations that are acceptable within their homes. Working with the resident's association, the guidance covers alterations such as landscaping, fencing, roof terraces, acceptable paint colours and additional structures such as sheds. Although these may be seen as small elements, retaining some control means the overall quality of the neighbourhood can be maintained in the long-term. This guidance can be tailored to individual locations and will be rolled out across our remaining developments.

Post Occupancy Evaluation

It is also important for LLDC to learn from what has been built and particularly, what residents think about their homes, and how these and the surrounding streets and spaces work. We are doing this by using post occupancy evaluation (POE) as a rigorous method to monitor quality and better understand how to improve future phases of development.

The first POE pilot project is being undertaken at Chobham Manor, the result of which will be to establish a standardised methodology for POE to be used across all LLDC developments. This POE seeks to establish feedback on a range of subjects including:

- Neighbourhood and House Design
- Inclusive Design
- Environmental Sustainability
- District Heat Network
- Sustainable Community
- Sustainable Transport
- Landscape Design

Better understanding is fundamental to creating neighbourhoods where people want to live. LLDC is committed to making places that inspire from the day people move in and throughout their lifetime.

The study will also help LLDC become more knowledgeable about what we deliver. This will be useful in making future housing more efficient and better value for money. It can also assist the development of new models and standards which advance the wider cause of regeneration, in line with LLDC's core values: ambition, responsibility, collaboration, excellence. It will also help LLDC to deliver housing that is needed in the local area, products that people want to buy, and potentially

optimise sales rates. POE can also help identify areas where limited value is gained and therefore offers potential areas to review costs.

Developer partners will be expected to carry out post occupancy evaluation, using this standardised LLDC methodology, which will include online user questionnaires and energy/ water monitoring (with at least 20% of the residents), focus groups, and in-depth interviews and more detailed energy monitoring on a selection of homes. Non-residential uses will also need to be included within the evaluation.

In the longer term, this work can add to LLDC's ambition to be a sustainability exemplar and show public sector leadership in the promotion of design, sustainability and inclusive design standards. Through this work there is the potential to learn what works well and exceed the standards in later phases of development, based on a clear understanding and evidence base.

WHEN WILL LLDC DELIVER NEW HOMES?

The programme on page 47 shows the overarching Delivery Programme for LLDC's Housing Projects, extending to 2032.

It has been agreed that transfer of LLDC's planning powers back to the local boroughs will occur by December 2024. Whilst the LLDC Local Plan will remain the extant Planning Policy Document at the point of Transition, this will be over-ridden by each borough's Local Plan as and when they are updated. It will therefore be important that LLDC works with the individual boroughs in the run-up to Transition, so that they are fully informed of the background to the projects and the planning position.

The remaining LLDC functions are expected to transfer to successor bodies from 2025 onwards. The delivery programme aims to ensure that each project has a robust planning baseline and delivery contract in place before Transition, so that the Legacy can be continued in a coherent way.

Ongoing Reporting

It will be important that LLDC closely monitors progress against the delivery programme and that issues which may impact on delivery are highlighted at an early stage.

Reporting will be through existing mechanisms:

Internal Reporting

Each project reports on progress, risks, issues and milestones on a monthly basis through the Execview reporting tool. This information is summarised in dashboards at the Directorate level and a Corporate Dashboard which goes each Board meeting.

The Board also receives regular updates on major developments through the Chief Executive's update to Board and specific papers on developments seeking decisions or updating on progress. Corporate risks and issues, including housing risks, are summarised on the Corporate dashboard and the Corporate Risk Register is reviewed at each Audit Committee and by the Board annually (see Risk and Issues section below).

In addition, as part of the Housing Delivery Plan, it is proposed that a Housing Delivery Dashboard is produced for regular submission to the Investment Committee/Board.

Public Reporting

LLDC produces a quarterly report in public, which reports progress against public milestones across our developments, along with narrative, risks and issues and financial information. This is held on LLDC's website and submitted to the Board and London Assembly.

Homes for Londoners Board

LLDC also reports in detail to the Homes for Londoners Board on a quarterly basis.

Risks and Issues

There are a number of Strategic Programme Risks to LLDC's Housing Delivery Plan which must be considered throughout delivery. These are attached at Appendix 6, along with details of the mitigation strategy.

These can be broadly categorised as follows:

Market Changes

Policy, economic factors and the market's response to these, is always changing. LLDC needs to closely monitor changes and be flexibly to changes which may be required. This is especially so now as we move into post COVID-19 recovery.

Site Specific Constraints

A clear and detailed understanding of each site and its constraints, at an early stage, is essential to ensuring that our masterplans are deliverable. Upfront investment in robust due diligence is built into individual project budgets, so that clear mitigation plans can be developed, and if necessary, delivered ahead of development.

Planning

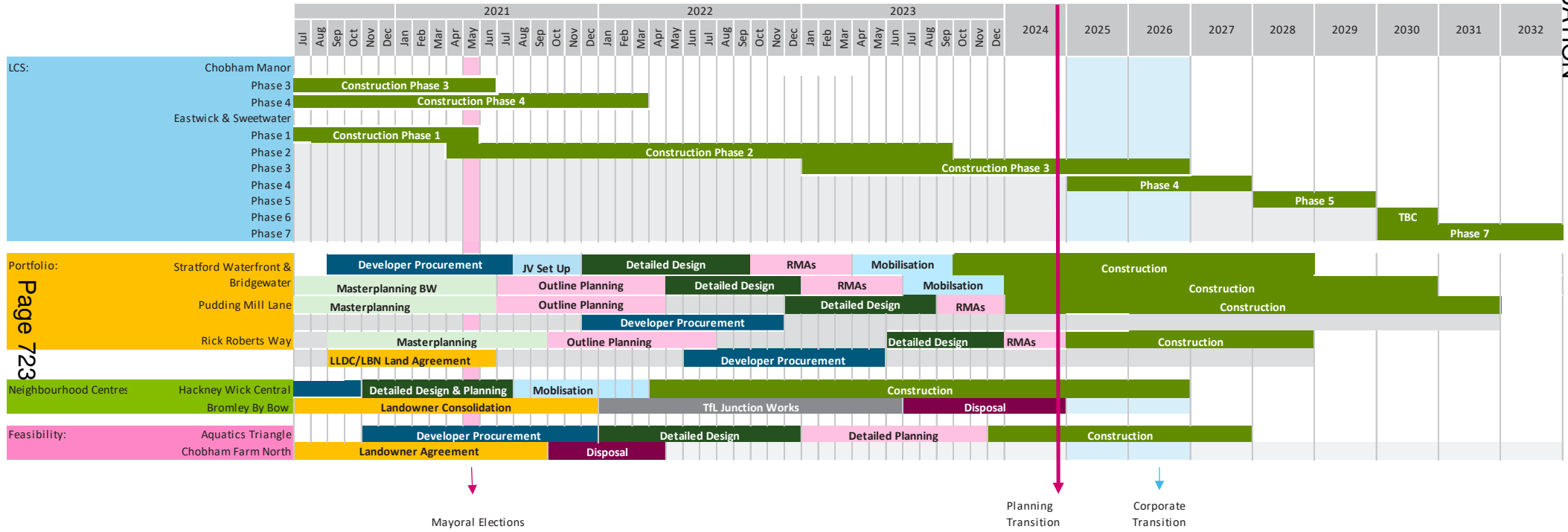
There are a number of significant planning deadlines that must be met, both by LLDC and our development partners. Failure to meet these deadlines will result in reputational damage and may significantly impact on our financial receipts.

Financial Impact

All of the risks and issues could negatively impact on LLDC's Long-Term Model, whether this is due to delays, cost increases, or reduction in receipts. The negative impact of one project can adversely affect the others, as our borrowing capacity reduces accordingly.

The biggest risk overall is that decisions and actions are not taken in a timely manner and that LLDC does not make sufficient progress prior to Transition. This Delivery Plan will therefore be used as the guiding Business Plan for all our housing developments, with regular review, update and monitoring to ensure success and a lasting housing legacy for the area.

LLDC Housing Delivery Programme



Appendix 1 - FAMILY HOUSING

1. EXECUTIVE SUMMARY

- 1.1. This research paper considers LLDC's ambition to deliver family housing, and evaluates it against the delivery experience and evidence over the last three years.
- 1.2. LLDC aims to support the delivery of affordable and family housing in high-quality neighbourhoods, which integrate with neighbouring communities; LLDC also aims to repay its capital borrowing through receipts from housing developments. These ambitions are in tension, as 3-bed+ housing is often cited as inhibiting scheme viability; and private 3-bed+ housing is commonly unaffordable for local people.
- 1.3. There is housing need for 3-bed+ accommodation in the Host Boroughs; however, consideration of how best to deliver across tenures and typologies is required. The LLDC Local Plan does not stipulate what proportion of family housing (defined as 3-bed+) must be included; it requires a mix of unit sizes and that 50% must be 2-bed+.
- 1.4. This paper points to the importance of:
 - A flexible approach to the number of 3-bed+ accommodation that is delivered, which ensures that a balance of unit sizes is delivered across tenures.
 - A design-led approach to family housing to ensure accommodation is genuinely suitable for families (which includes generous storage, play-space etc – see Section 4 for more detail).
 - Exploring opportunities to de-risk the market sales of 3-bed+ private homes.

2. OLYMPIC LEGACY: FAMILY NEIGHBOURHOODS

- 2.1 LLDC's Five-Year Strategy (approved in 2015 and updated in 2016) sets out ambitions to:
 - Deliver family housing;
 - Deliver affordable housing;
 - Deliver high-quality design;
 - Provide accommodation to keep local people living in the area longer;
 - Connect new neighbourhoods to existing communities.
- 2.2. The Five-Year Strategy responds to the original Olympic Legacy ambition to address the transience of residents living in the Host Boroughs. This Strategy also requires LLDC to deliver value for money, including the repayment to the GLA and Central Government of capital borrowing through receipts from housing developments.
- 2.3. The ambition to deliver family housing is outlined in the Legacy Communities Scheme (LCS). Consented in 2012, the LCS includes a Site Wide commitment and S106 obligation to delivering 42% family housing across all tenures (3-bed or larger)¹.
- 2.4. The source of this requirement is based on the 2007 Olympic Opportunity Area Planning Framework which specifies 44% family housing; the aspiration from GLA and the Olympic boroughs to address population transience and create a stable and balanced community on the site.
- 2.5. Following the change of Mayor in 2016 there was an explicit change in policy prioritising delivery of affordable housing, leading LLDC to increase Affordable Housing on the Portfolio Sites to 50%.

¹ The Third S73 amended this target to 53% to account for the removal of PDZs 1 and 2; this has not increased the original requirements for each Planning Delivery Zone but reflects the lower family housing requirements in PDZ1 and PDZ2.

- 2.6. There is an increased tension between the financial targets, increased affordable housing and qualitative objectives of LLDC's development projects: the LCS S106 requirement for family housing² arguably limits the financial viability of its residential developments. This tension is explored in more detail in this paper.

3. CHANGES SINCE 2012

- 3.1. Since 2012, the anticipated levels of receipts from LLDC's housing developments have reduced over time due to:
- An increase in the levels of affordable homes required to be built on public land;
 - The acceleration of delivery of developments (meaning less regeneration uplift is realised);
 - The macro-economic conditions.
- 3.2. The development context has changed since the LCS was consented in 2012. Key changes include:
- New planning policy requiring 50% affordable housing on public land;
 - The introduction of LLDC's CIL regime;
 - New evidence to support planning policy (notably updated Strategic Housing Market Assessments);
 - Different market conditions;
 - Direct experience from delivery of LLDC's first neighbourhood at Chobham Manor;
 - Emerging demographic changes, including an ageing population and a growing 'downsizer market'.

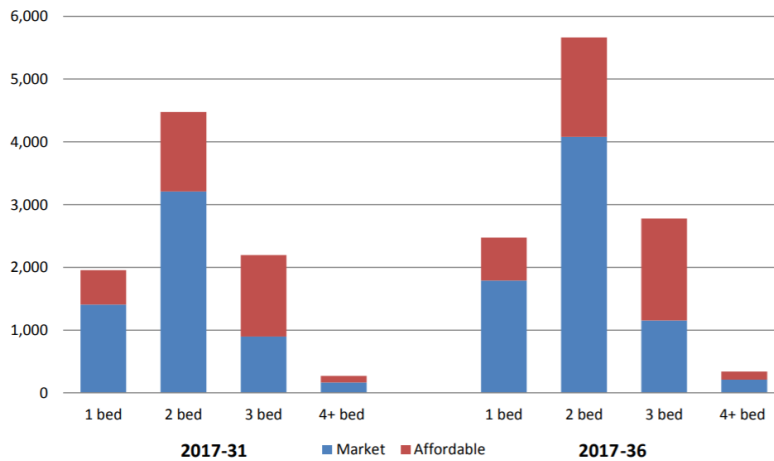
Housing Need Planning Policy Evidence Base

- 3.3. The evidence bases supporting the draft LLDC Local Plan; draft London Plan and Host Borough Local Plans have emerged post-LCS. They vary in their findings on housing need:
- the LLDC housing need is for mostly 2-beds in the private market and 2-bed+ in the affordable market;
 - the London-wide housing need is equal for 1-beds and 3-bed+ in the private market and predominantly 1-bed in the social rented market³;
 - and three out of four Host Boroughs exhibit strong need for 3-bed + for private and affordable.
- 3.4. The LLDC Housing Requirements Study (2018) identifies the following housing need:

	1-bed	2-bed	3-bed	4-bed +
Market	25%	57%	16%	2%
Affordable	17%	39%	40%	4%

² LLDC's Five Year Strategy does not include a requirement on the amount of family housing. The requirement is controlled by the LCS permission and the Unilateral Undertaking. For new planning applications, family housing is determined by reference to planning policy.

³ It is understood that the variance between the London Plan SHMA and the Host Borough SHMAs is related to methodology: the London Plan SHMA includes concealed households in both the private and affordable tenures. The Host Borough and LLDC SHMAs include concealed households only in the affordable tenure. This methodological difference drives up the number of private 1-bed units required to accommodate people currently sharing.



3.5. The London Plan SHMA (2017) identifies a significant growing need for one-bed units from 2016 to 2041.

	1 bed	2 bed	3 bed	4 bed +
Market	46%	8%	18%	27%
Intermediate	37%	29%	20%	14%
Social Rent	69%	17%	8%	6%

3.6. The London Boroughs of Newham, Waltham Forest and Hackney all identify strong levels of need for 3-bedroom plus accommodation across both private and affordable tenures; the London Borough of Tower Hamlets identifies lower levels of need for 3-bed+ accommodation. This is summarised in the following table.

	LLDC	Newham	Waltham Forest	Tower Hamlets	Hackney
Evidence Document	LLDC Housing Requirements Study (2018)	North East London Strategic Housing Market Assessment 2016	North East London Strategic Housing Market Assessment 2016	London Borough of Tower Hamlets Strategic Housing Market Assessment 2017	London Borough of Hackney Strategic Housing Market Assessment 2014
Private % of housing need for 3b+	18%	70%	75%	21%	68%
Affordable % of housing need for 3b+	44%	78%	66%	46%	43%

3.7. While the precise numbers vary between studies; it is evident that there is housing need for both market and affordable 3-bed+; and that this need is acute in Newham, Waltham Forest and Hackney.

Planning Policy

3.8. The table below summarises the LLDC Local Plan policy requirements on unit mix, along with the host borough policies for context⁴.

⁴ The London Plan and LLDC Local Plan form the Development Plan for the LLDC Local Planning Authority; evidence bases for the Host Boroughs could be considered as a material consideration.

	% 3-bedroom plus units				
	Emerging and Current LLDC Local Plan	Emerging Hackney Local Plan	Tower Hamlets Local Plan	Newham Local Plan	Waltham Forest Local Plan
Social Rent	50% 2b +	33-36%	45%	39%	50%
Intermediate		15-25%	45%	39%	40%
Market		33%	20%	39%	50%

3.9. Conversations with the Host Boroughs have gleaned the following:

- The Boroughs prioritise delivery of affordable housing (particularly family-sized affordable housing).
- Consequently, the planning policy is applied flexibly to the private units – i.e. fewer private 3-beds to enhance viability and delivery of affordable units.
- Policy on unit mix is applied flexibly on a site-by-site basis depending on where is most suitable for family living and what the viability constraints of each site are.
- Boroughs increasingly measure affordable housing by habitable room instead of units. This means developers are no longer incentivised to deliver smaller affordable homes. Larger affordable homes deliver more habitable rooms per square metre than smaller – leaving more private floorspace.

3.10. The emerging revised London Plan defines Family Housing as generally comprising 3, 4, 5, or more bedrooms. It establishes that there are a number of considerations that should inform unit mix, including:

- Housing need evidence;
- the nature and location of the site;
- the aim to optimise housing potential on sites;
- the role of 1 and 2-bed units in freeing up family housing.

Evidence from Chobham Manor

3.11. LLDC's first new neighbourhood is part complete. Designed to be a mixed community, Chobham Manor is 75% 3-bed+.

3.12. Key lessons learnt from this scheme are:

- c.20% of 3-bed units have been purchased by families;
- Some 3-bed units have been bought by couples who have said that they have bought in expectation of starting a family;
- Chobham Manor has been popular with 'downsizers';
- Design for market 3-bed units is key to securing family purchasers;
- The Sales and Marketing Team have fed-back that notable preferences from families have included:
 - Availability of a parking space;
 - Houses preferred over flats;
 - Ground floor access is important;
 - Storage is key;
 - Private outdoor amenity space is important.

The Market Context

3.13. The following table summarises completions by number of bedrooms for 2017/18. This illustrates the majority of new homes being delivered in London are smaller 1 and 2 bed homes (due to developer preference and the application of planning policy).

	Number of Bedroom			
	1	2	3	4+
London	38%	42%	14%	5%
Newham	32%	47%	16%	4%
Hackney	35%	40%	22%	3%
Waltham Forest	36%	52%	10%	3%
Tower Hamlets	39%	40%	17%	4%

3.14. The next table captures the schemes approved by LLDC PPDT in 2017/18. This illustrates the majority of new market homes being proposed and approved in LLDC are 1 and 2 beds (again due to developer preference and the application of planning policy).

Bedrooms	Market	Social/Affordable rented	Intermediate	Total
1	35.50%	5.50%	3.10%	44%
2	35.50%	6.50%	3.00%	45%
3+	6.60%	3.80%	0.60%	11%
Total	80%	9%	11%	100%

Affordability of New-Build Family Units

3.15. Comparable evidence suggests the average sales value of a new-build 3b5p flat in Stratford and surrounding areas is currently c.£700k. To afford a property of this price, a deposit of c.£70k and a joint income of c.£140k would be required⁵.

3.16. CACI income data (2018) evidences that there are only 124 local households in the Stratford, Hackney Wick and Bow East wards who have sufficient household income to afford to buy a new 3 bed flat (less than 1%).

Registered Providers' Approach to Family Housing

3.17. Feedback from Registered Providers (RPs) indicates the following:

- The wait time for households needing family sized units tends to be much longer than for 1- and 2-bed properties because there are fewer existing properties and occupants tend to stay in them for longer periods.
- RP's are wary of large concentrations of 1-beds in single developments because these tenants can sometimes be tenants with more difficult backgrounds; this increases the intensity of management and increases the likelihood of rent arrears.

⁵ Calculation is 10% Deposit (£700k x 0.1 = £70k) and a maximum mortgage loan of 4.5 x income (£630/4.5 = £140k). Government rules mean lenders can only offer 15% of mortgages over this multiple.

- Equally, a high level of 3-beds for social rent can create management issues around child density, particularly in towers.
- Family accommodation at height is not ideal and the preference is for those units to be located on the lower floors.

Other Lessons Learnt

- 3.18. Experience at East Village highlighted that concentrations of affordable 3-bed units (occupied by families) and private 1- and 2-beds (occupied by professionals) can create neighbourhood tensions and management problems⁶.
- 3.19. Large concentrations of families in dense environments can create significant noise pollution problems and reduce amenity for residents without children.

4. WHAT MAKES GOOD FAMILY HOUSING?

- 4.1 Unit size is part of the equation, but not whole picture.
- 4.2. A study undertaken by LSE for the GLA⁷ looked at several high-density developments in London (including East Village and Stratford Halo), and found that of those who occupied high-density developments, the social tenants generally have a higher child yield than owner occupiers or private tenants. There was a very low proportion of families living in the private accommodation, see the Table below.
- 4.3. In this study, about half the flats in the case-study developments had two bedrooms, and only 13% had three or more bedrooms.

	Owner occupiers	Private Tenants	Social and Affordable Tenants
% with Children living in high-density developments	14%	8%	29%

- 4.4. However, LLDC has learnt from its experience at Chobham Manor that building high volumes of 3-bed + accommodation does not guarantee it will be occupied by families. At Chobham Manor, 75% of units are 3-bed+, but only c.20% of private units sold so far are occupied by families⁸.
- 4.5. Building *larger* private units is not a guarantee that the units will:
 - Be bought by families⁹;
 - Be suitable for family living.
- 4.6. This paper advocates a design-led approach to family housing.

⁶ Although, note that East Village is 50% PRS 50% AH; which has a different management profile to LLDC schemes due to the predominance of PRS rather than OMS.

⁷ LSE London/LSE Cities report for the GLA (2018): ‘Residents’ experience of high-density housing in London’

⁸ We do not have data on the composition of purchasers at Chobham Manor, but anecdotally, the Sales and Marketing Team have confirmed the scheme is also popular with couples intending to start families and downsizers.

⁹ This may be related to: culturally specific preferences in the UK to raise families in houses rather than flats and the affordability of units large enough to accommodate families in high-density.

Design-led Family Housing

- 4.7. Design is critical to family housing at high-densities. There are precedents of design guides for family housing; notably the 'Higher Density Housing for Families: A Design and Specification Guide' by the London Housing Federation.
- 4.8. Key principles for high-quality family accommodation include:
 - Storage
 - Parking¹⁰
 - Private access
 - Ground floor access
 - Houses preferred
 - Garden or ground floor private amenity space
 - Play space
 - Flexibility / adaptability
- 4.9. A Canadian paper 'Growing Up: Planning for Children in New Vertical Communities (2017)' suggests family housing must be considered at three scales: the unit, the building and the neighbourhood (see Appendix A).
- 4.10. 3-bed + accommodation must be designed so that it is genuinely suitable for family living.
- 4.11. Family accommodation necessitates higher levels of play space as it is essential that enough space is created for children so they are not congregating in corridors and lifts.

5. COMMERCIAL CONSIDERATIONS FOR FAMILY HOUSING

Help to Buy

- 5.1. The London Help to Buy Equity Loan provides up to 40% the value of a property, for properties valued under £600k. This scheme will run until 2023.
- 5.2. Help to Buy loans have had a significant impact on the new-build market and have been used on more than 20% of new-build sales in London since 2013.
- 5.3. However, its impact is less significant on family housing due to the price cap of £600k; it is uncommon in Stratford and Hackney Wick (and other comparable locations) to find new-build 3-bed + flats for less than £600k. Evidence¹¹ indicates that 84.2% of all Help to Buy loans since the programme's launch had been used on flats.

Off-plan Sales

- 5.4. Sales rates are important for developers because the slower they sell units the more interest they incur and this reduces profit. Selling units post-completion rather than off-plan means the developer incurs stock holding costs as well.
- 5.5. Evidence from Chobham Manor Phase 2 supports this (see Figure below): when sales launched, a significant proportion of 1 and 2-bed units were sold off-plan. Sales of 3-bed units were much higher later in the sales period.
- 5.6. The Chobham Manor sales and marketing team consider that this is because:
 - Purchasers of 3-bed + units are less likely to be first time buyers, and more likely to be part of a chain. Buying off-plan is therefore less feasible for these purchasers.
 - Purchasers of larger (more expensive) units often wish to be able to see the completed unit prior to purchase.

s.43

¹⁰ Provision of large volumes of parking runs counter to London Plan sustainability objectives.

¹¹ From research carried out by the FinTech firm Propertunity.



S.43

- 5.7. In particular, 3-bed+ apartments have sold later in the sales period; the sale of houses has been more consistent. See Figure below.



S.43

5.8. 

- 5.9. Research from LSE supports the view that 3-bed accommodation is more likely to be sold later in the sales period:

- Concern about the level of construction activity in development areas can deter families from buying new-builds in the early stages of a scheme.
- Families prefer to purchase properties in locations which are sufficiently established with social infrastructure and amenities (LLDC has built schools upfront in response to this).

Market Demand and Competition

- 5.10. A Deloitte report prepared for OPLC in 2010 makes the following points which are still pertinent with respect to market demand:

- By virtue of its sheer scale the Olympic Park will create a completely new piece of London. In this regard, the Legacy scheme has closer parallels to new settlement or urban extension projects, schemes that need to offer a wide range of residential unit types and sizes to maximise their market appeal and to create a balanced community.

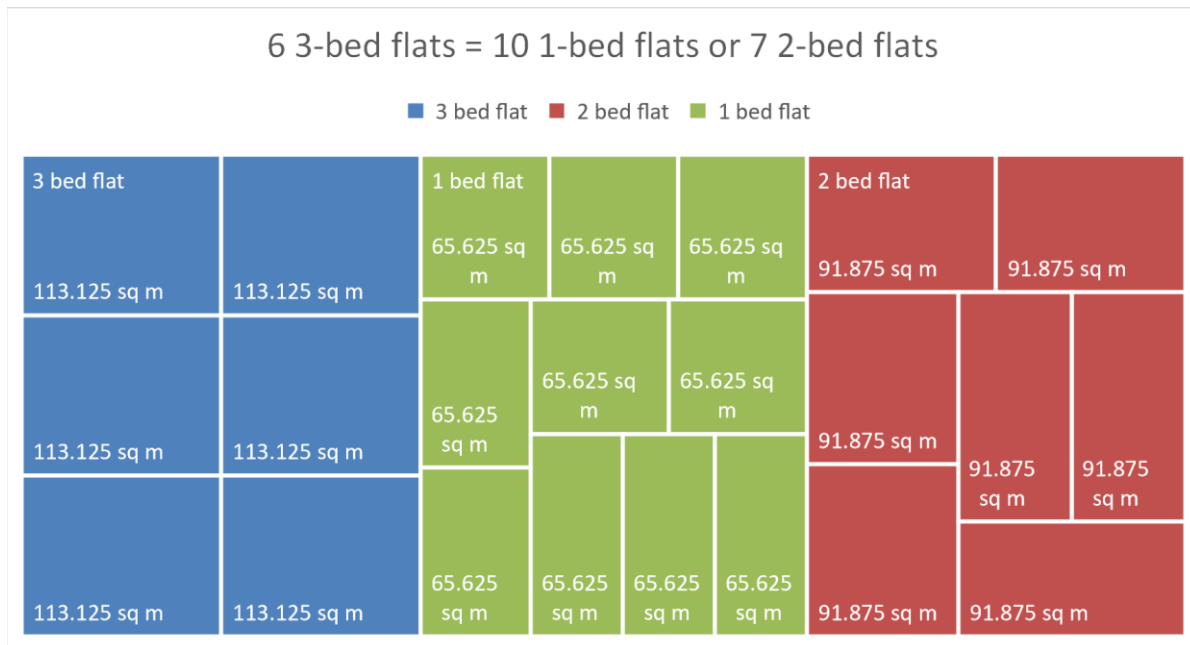
- There is a need to either:
 - (a) avoid what is a massive potential oversupply of competing flatted development in the locality (not least from the Olympic Village) by providing a different product type; or
 - (b) out-compete it by providing a superior product.

Viability

- 5.11. 3-bed units are commonly cited as having a negative impact on scheme viability. This is for the following reasons:
- The market for 3-bed + accommodation is limited by affordability (see paragraph 3.30 above)
 - Sales rates for 3-bed units are generally slower than sales rates for 1 and 2-bed units; this extends the total sales period and means that the developer incurs finance and stock holding costs across this period.
 - 3-bed units are more commonly bought post-completion than off-plan, which means a larger proportion of revenue comes into the cashflow later in the sales period (and again, stock holding costs are incurred).
 - To increase sales rates, developers occasionally discount the price of 3-bed units to encourage sales.
 - For flats, the sales value per square foot declines as the unit size increases; even if build costs stay constant, the marginal value per square metre declines as the unit increases in size (see Figure below).
 - Capital values tend to be capped, according to their location. This means that there isn't much additional value in oversized units.



- Bigger units also take up more space, meaning fewer total units can be delivered (see Figure below). This is especially the case where larger units are delivered as houses, as nothing can be built on top of them.



- Delivering high-levels of family housing generates a higher child yield. This increases requirements for play space, social infrastructure and S106 payments. Delivering enough play space can be challenging on constrained sites where there is a need to maximise developable area.

5.12. As a result of the factors listed above, a preferred developer mix would probably be less than 15% 3-beds, 40% 2-beds, 45% 1-beds.

6. CONCLUSIONS

- 6.1. There is a tension between LLDC's ambition to deliver high-quality neighbourhoods (with affordable and family housing, good design and high sustainability standards) and LLDC's ambition to raise capital receipts from housing delivery.
- 6.2. This paper has discussed the importance of:
- A design-led approach to family housing to encourage more take-up by families.
 - A recognition that high-levels of family housing may compromise other LLDC ambitions (eg. delivery of a high-level of affordable housing, maximisation of financial revenue, acceleration of housing delivery).
 - Prioritising delivery of 3-bed affordable units over 3-bed private units is an approach favoured by the Host Boroughs which may have merit in instances where compromise is required.
 - A balance of units of different sizes is desirable to avoid saturating the market with one product; 30% 1-bed, 30% 2-bed, 30% 3-bed, 10% float is a pragmatic mix.
 - A balance of units is preferred by Registered Providers from a management perspective.
 - Exploring opportunities to de-risk the market sales of 3-bed private units, for instance:
 - Using S106 off-site affordable funds to purchase 3-bed units for affordable (as done in 2019 at Chobham Manor).
 - Converting 3-bed private units to affordable tenures to access Recycled Capital Grant Funding (as done at Phase 1 of East Wick and Sweetwater).
 - Exploring the potential to deliver smaller, more efficient 3b4p units which can be priced under the Help to Buy threshold.



APPENDIX B – Family housing typologies

	Lateral Apartments	Stacked Maisonette / Duplex	Mews House	Townhouse
No. Bedrooms	3	3	3	3
Average Size GIA	75 -110 sq.m	84-110 sq.m	120-150 sq m	130-186 sq m
Average Sales Value (Note these values are indicative)	£600-£750k / unit £5,866 psm	£650-£710k / unit £6,996 psm	£790-£830k / unit £7,276 psm	£800k-£1m / unit £6,598 psm
Average Build Cost (Note these costs are indicative)	£247k / unit £2,863 psm	£250k / unit £3,003 psm	£305k / unit £3,326 psm	£351k / unit £3,196 psm
Typical Market	Sharers Down-sizers Young professionals Investors Couples looking to start a family	Young professionals (prefer maisonettes with roof terraces) Families Investors Couples looking to start a family	Families (seeking a new-build house) Professional couples	Families (seeking a new-build house)
Features Suitable for Family Living	<ul style="list-style-type: none"> ✓ Affordability: 3b4p flats can be priced under the £600k H2B threshold ✓ Community: opportunities to meet and interact with neighbours in communal space 	<ul style="list-style-type: none"> ✓ Can have the sense of being a house if at ground-floor ✓ Private front-door 	<ul style="list-style-type: none"> ✓ Often 2-storey design ✓ Cultural preference ✓ More spacious than flats 	<ul style="list-style-type: none"> ✓ Flexibility: bigger townhouses (4/5b) afford families space for a playroom/study/multi-generational living ✓ Gardens ✓ Cultural preference ✓ More spacious than flats
Features Unsuitable	<ul style="list-style-type: none"> ✗ Less storage space ✗ No garden 	<ul style="list-style-type: none"> ✗ Less storage space 	<ul style="list-style-type: none"> ✗ Expensive 	<ul style="list-style-type: none"> ✗ Expensive

NOT FOR PUBLICATION

for Family Living	* Potentially cramped: 3b4p bedrooms may not have space for desk or play	* Often no garden for upstairs units * Potentially cramped: 3b4p bedrooms may not have space for desk or play	* Limited numbers available	* Limited numbers available
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Appendix 2 – CLAYS LANE NOMINATIONS AGREEMENT

The Clays Lane Estate was a residential housing estate to the north of the Park that was acquired for the Olympics prior to 2012. To help re-house the residents from the Estate into homes elsewhere, about 20 Housing Associations and Local Authorities, including Newham, Tower Hamlets and Hackney, all helped the Olympic effort by giving nominations to the affected residents (i.e. those that had social and affordable rented homes on the Estate) to enable them to move to new.

In return, the Clays Lane Nomination Agreement promised to return all those nominations to all those Housing Associations and Local Authorities, to be taken from the nominations that became available when the post-Olympic regeneration happened, together with an additional allowance of 25% calculated by habitable room. It was agreed that these nominations would come from the social and affordable rented housing that was to be provided as part of the LCS (Legacy Communities Scheme) planning consent.

The nominations do not have any financial value – they are simply a way of selecting who becomes the tenant. LLDC has worked out a way of doing this across all the new neighbourhoods envisaged under the LCS, starting with Chobham Manor. This strategy has been agreed by the four Olympic Boroughs and was communicated to all the affected Housing Associations and Local Authorities in 2018.

The Agreement does not provide for the original Clays Lane residents to return to the Olympic Park – it just compensates the organisations who helped relocate the residents pre-Olympics by providing them with nominations that they can use to house people who are on their current waiting lists or housing needs registers. The organisations will receive the extra 25% habitable rooms as a reward for helping in the Olympic effort to enable the 2012 Games.

The Clays Lane Nominations Agreement will apply alongside a majority allocation to the Local Borough for each development, so that only the local authority in whose Borough an LCS community exists will get the Local Authority nominations for that project. The calculations therefore mean that one local authority will not get nominations in another local authority area e.g. none of the nominations at Chobham Manor, which is in LB Newham, will be given to LB Hackney, LB Tower Hamlets or LB Walthamstow.

The detailed list of the nominations is held by LLDC.

Appendix 3 - LLDC PRIORITY THEMES

1. Promoting Convergence and Community Participation

Socio-economic Policy

<https://www.queenelizabetholympicpark.co.uk/-/media/lldc/policies/119763483lldc socioeconomicpolicy.ashx?la=en>

Sport and Healthy Living Policy

<https://www.queenelizabetholympicpark.co.uk/-/media/lldc/policies/finalsportandhealthylivingpolicyseptember2012.ashx?la=en>

Community Engagement Policy

<https://www.queenelizabetholympicpark.co.uk/-/media/lldc/policies/119753959lldc communityandengagementpolicynov2012.ashx?la=en>

Code of Consultation

https://www.queenelizabetholympicpark.co.uk/-/media/code-of-consultation_a4-booklet_web19.ashx?la=en

2. Championing Equalities and Inclusion

Equality and Inclusion Policy

<https://www.queenelizabetholympicpark.co.uk/-/media/lldc/policies/finalequalityandinclusionpolicymay2012.ashx?la=en>

Inclusive Design Strategy

<https://www.queenelizabetholympicpark.co.uk/-/media/lldc/policies/lldcinclusivedesignstrategymarch2013.ashx?la=en>

Inclusive Design Standards

<https://www.queenelizabetholympicpark.co.uk/-/media/lldc/policies/lldcinclusivedesignstandardsmarch2013.ashx?la=en>

3. Ensuring High Quality Design

Design Quality Policy

https://www.queenelizabetholympicpark.co.uk/-/media/design-quality-policy_web.ashx?la=en

4. Ensuring Environmental Sustainability

Sustainability Guide

https://www.queenelizabetholympicpark.co.uk/-/media/lldc/policies/lldc_your_sustainability_guide_to_the_queen_elizabeth_olympic_park2030.ashx?la=en

Appendix 4

PROJECT SUMMARIES

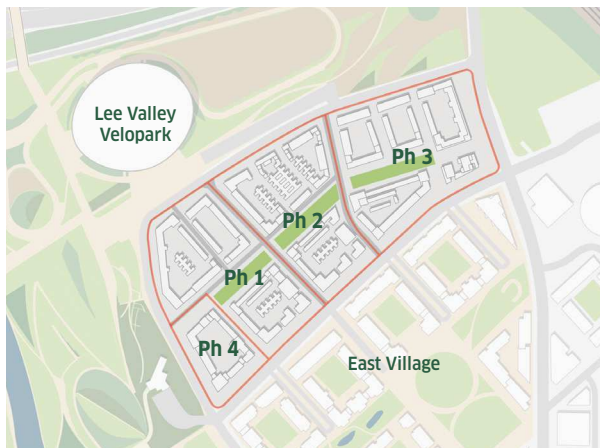
Project Information Sheets

July 2020

CHOBHAM MANOR

Chobham Manor is a family friendly neighbourhood built on tried and tested urban design principles borrowing from the London vernacular. The masterplan was developed around three shared 'greens' incorporating play space, with a wide choice of houses and apartments set within tree-lined avenues and intimate streets. It will also be home to a new nursery, community centre and shops to serve local residents.

Taylor Wimpey and L&Q formed Chobham Manor LLP and entered into a development agreement with LLDC in 2014. Phases 1 and 2, comprising 367 homes, are complete and the whole neighbourhood of 880 homes will be complete by 2022.



Project Information

Planning Status

All RMAs Approved

Delivery Status

Phases 1+2: occupied

Phases 3+4: on site

Programme

Phase 1	2014-2017
Phase 2	2016-2019
Phase 3	2018-2021
Phase 4	2019-2022

Housing Programme

Legacy Community Scheme

Delivery Structure

Development Agreement

No. of Family Homes (3 bed +)

647 out of 880 homes - 75%

Affordable Housing

303 out of 880 homes - 35%

Commercial Uses

11 units between 33 sqm and 193 sqm

Community Facilities

nursery-546sqm; community centre-309sqm

Sustainability targets

LLDC Standards 2012

London Plan

Post Occupancy Evaluation

Pilot Study to be carried out in 2020 on Phase 1

Design Quality

To meet LLDC's Design Quality Policy (2012)

Inclusive Design Standards

Phase	No of homes	Unit Type				Tenure		
		1B	2B	3B	4B+	market	intermediate	low cost rent
Phase 1	259	27	34	146	52	180	8	71
Phase 2	207	18	31	119	39	169	32	6
Phase 3	253	17	21	174	41	67	94	92
Phase 4	161	48	26	87	-	161	-	-
TOTAL	880	110	112	577	142	577	134	169

EAST WICK & SWEETWATER

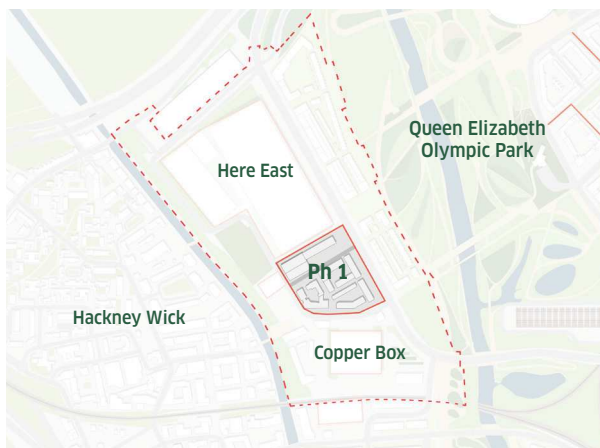


Phase	No of homes	Unit Type				Tenure	
		1B	2B	3B	4B+	market	affordable (intermediate + low cost rent)
Phase 1	302	82	78	142	-	172	130
Phase 2	205	54	86	61	4	161	44
Phase 3	421	128	168	102	23	324	97
Phase 4	360	154	125	81	-	255	105
Phase 5	384	143	124	117	-	263	121
Phase 6	-	-	-	-	-	-	-
Phase 7	172	95	62	15	-	98	74
TOTAL	1844	656	643	518	27	1273	571

EAST WICK

PHASE 1

Phase 1 represents the first residential part of the comprehensive development of East Wick and Sweetwater which is delivered under Development Agreement between LLDC and East Wick and Sweetwater Projects (a Joint Venture between Balfour Beatty Investments and Places for People). East Wick and Sweetwater will form the second and third LLDC neighbourhoods to be delivered under the LCS. Following the completion of the Mossbourne Riverside Academy, Phase 1 forms the neighbourhood centre of East Wick. It is comprised of 302 residential units with commercial space and landscaping. The first units in Phase 1 are due to reach Practical Completion in Oct 2020.



Project Information

Planning Status

Full Planning Approval granted

Delivery Status

Occupation anticipated Nov 2020 onwards

Programme

Phase 1	2018-2021
---------	-----------

Housing Programme

Legacy Community Scheme

Delivery Structure

Development Management Agreement

No. of Family Homes (3 bed +)

30% of the whole Eastwick & Sweetwater development (1838 homes)

Affordable Housing

130 out of 302 homes - 43%

Commercial Uses

1,915 sqm of retail; 1,352 sqm of employment

Community Facilities

-

Sustainability targets

LLDC Standards 2012

London Plan

Post Occupancy Evaluation

Developer to carry out POE on phase completion

Design Quality

To meet LLDC's Design Quality Policy (2012)

Inclusive Design Standards

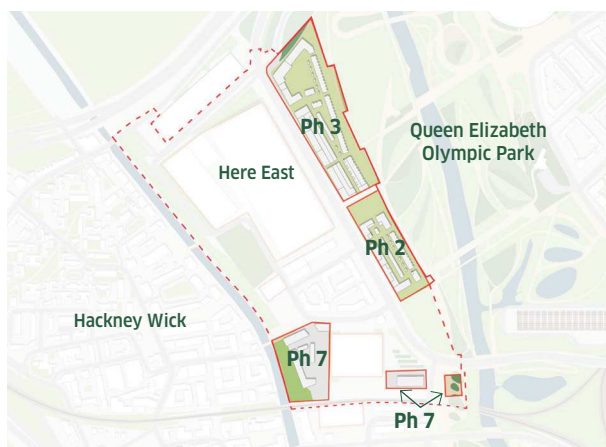
Phase	No of homes	Unit Type				Tenure			
		1B	2B	3B	4B+	market	PRS	intermediate	low cost rent
Phase 1	302	82	78	142	-	67	105	112	18

EAST WICK

PHASE 2, 3 AND 7

Phases 2 and 3 will form the new architectural edge to the North Park with a sweep of 4 storey townhouse frontages and apartment blocks. Larger apartment buildings will front Waterden Road. A ladder of East West connections will be made between the Park and Waterden Road with buildings fronting new public routes and spaces, creating private residential courtyards between. Phases 2 and 3 are principally residential and will include a site for a Community Land Trust and also a leisure space.

Phase 7 comprises buildings to the East and West of the Copperbox Arena. To the East, new buildings will front the canal and face Hackney Wick with commercial and workshop uses to the canal and street levels with residential above. To the West a new residential building creates the Southern edge to East Cross Square and terminates the view looking South along Waterden Rd.



Project Information

Planning Status

Outline Planning Approval granted

Delivery Status

RMAs to be submitted by Developer Partner in Sep 2020

Programme

Phase 2	2021-2023
Phase 3	2023-2026
Phase 7	2030-2032

Housing Programme

Legacy Community Scheme

Delivery Structure

Development Agreement

No. of Family Homes (3 bed +)

30% of the whole Eastwick & Sweetwater development (1838 homes)

Affordable Housing

34% over the whole Eastwick & Sweetwater development, of which 36% social rent, 27% affordable rent, 37% shared ownership

Commercial Uses

414 sqm - retail, 622 sqm - employment space

Community Facilities

-

Sustainability targets

LLDC Standards 2012

London Plan

Post Occupancy Evaluation

Developer to carry out POE on phase completion

Design Quality

To meet LLDC's Design Quality Policy (2012)

Inclusive Design Standards

Phase	No of homes	Unit Type				Tenure			
		1B	2B	3B	4B+	market	PRS	intermediate	low cost rent
Phase 2	205	54	86	61	4	70	91	-	44
Phase 3	421	128	168	102	23	194	130	-	97
Phase 7	172	95	62	15	-	98	-	35	39
TOTAL	798	277	316	178	27	362	221	35	180

SWEETWATER PHASE 4 AND 5

Phases 4 + 5 will form the exciting new neighbourhood of Sweetwater. This new family orientated neighbourhood will include houses and apartments, a Health Centre, a Community Centre and Library, Commercial space and a new Nursery as well as a series of vehicle free 'liveable' streets. To the West of the North South road called Sweetwater Place, a series of 3 blocks form a new frontage to the Canal Park and to Hackney Wick. The community and library facilities will be located north of the site, opposite the White Building on White Post Lane. To the East of Sweetwater Place, 3 courtyard blocks form new East West Streets of family houses fronting either a mews or a new vehicle-free Liveable Street. To the North a new Health Centre will form street frontage to Carpenters Rd, with 3 residential buildings above. The Southern tip of Sweetwater is formed of a courtyard block of apartment buildings and houses with a new nursery, all arranged around the playing fields of the Bobby Moore Academy.



Project Information

Planning Status

Outline Planning Approval granted

Delivery Status

RMAs to be submitted by Developer Partner in Sep 2020

Programme

Phase 4	2024-2027
Phase 5	2026-2029

Housing Programme

Legacy Community Scheme

Delivery Structure

Development Agreement

No. of Family Homes (3 bed +)

30% of the whole Eastwick & Sweetwater development (1838 homes)

Affordable Housing

34% over the whole Eastwick & Sweetwater development, of which 36% social rent, 27% affordable rent, 37% shared ownership

Commercial Uses

407 sqm - retail, 309 sqm - employment space

Community Facilities

Health Centre, Community Centre, Library

Sustainability targets

LLDC Standards 2012

London Plan

Post Occupancy Evaluation

Developer to carry out POE on phase completion

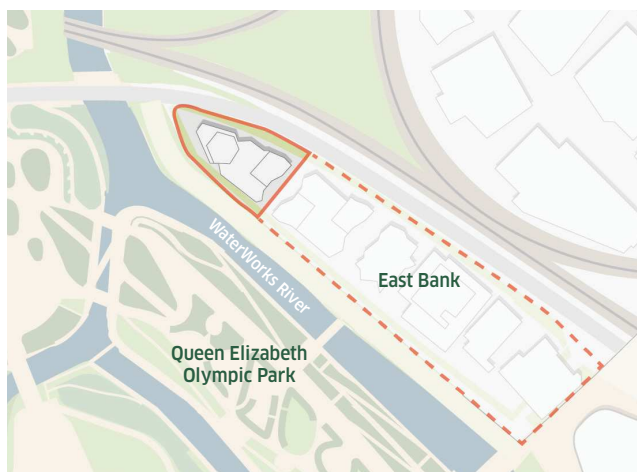
Design Quality

To meet LLDC's Design Quality Policy (2012)
Inclusive Design Standards

Phase	No of homes	Unit Type				Tenure			
		1B	2B	3B	4B+	market	PRS	intermediate	low cost rent
Phase 4	360	154	125	81	-	255	-	72	33
Phase 5	384	143	124	117	-	29	234	35	86
Total	744	297	249	198	-	284	234	107	119

STRATFORD WATERFRONT

Stratford Waterfront is a new 590 homes neighbourhood that will enable some of the world’s leading cultural and educational institutions to reach out into the London boroughs that hosted the London 2012 Olympic and Paralympic Games. This important legacy investment will be the largest cultural investment in London since the Festival of Britain and the Southbank. It will also add a significant number of new homes, retail space, a high-quality public realm and additional cultural/ community spaces that extend the Park’s reach while inviting residents and visitors alike to participate in an exciting cross-pollination of culture, education and research. The residential development sits at a pinch point ,creating new links to the west Park. The ground floors maximises active uses, in the form of either community facilities or retail/ leisure uses, along building frontages and on block corners to create continuity with its cultural neighbours.



Project Information

Planning Status

Outline Planning Approval Granted

Delivery Status

Developer procurement anticipated to start end of 2020

Programme

Phase 1	2025-2028
Phase 2	2027-2030

Housing Programme

Portfolio Site (Linked with Pudding Mill, Bridgewater and Rick Roberts Way)

Delivery Structure

Joint Venture

No. of Family Homes (3 bed +)

48 out of 591 homes - 8.1%

Affordable Housing

207 out of 591 homes - 35%

Commercial Uses

2,200 sqm

Community Facilities

-

Sustainability targets

LLDC Standards 2012

London Plan

Post Occupancy Evaluation

Developer to carry out POE on phase completion

Design Quality

To meet LLDC’s Design Quality Policy (2019)

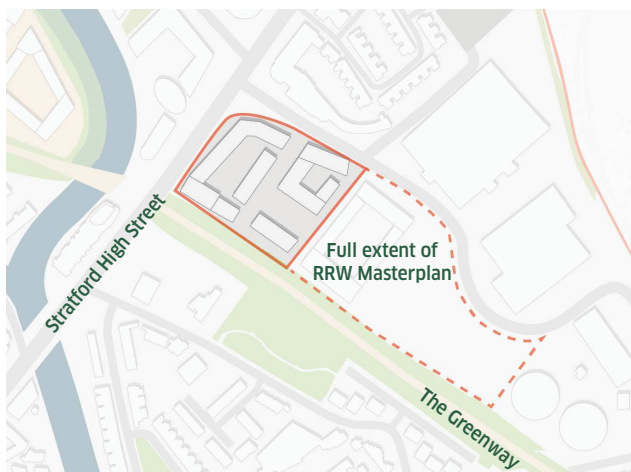
Inclusive Design Standards

Phase	No of homes	Unit Type					Tenure		
		Studio	1B	2B	3B	4B+	market	intermediate	low cost rent
Total	591	77	200	266	39	9	384	207	0

RICK ROBERTS WAY

Rick Roberts Way site is owned by LLDC and the London Borough of Newham, who are jointly masterplanning with the aim of delivering a high-quality, mixed neighbourhood with a unique identity influenced by its uses and its diverse surroundings: the High Street, the Conservation Area, current industrial uses, and green infrastructure formed from the area's industrial heritage.

The Rick Roberts Way neighbourhood will be a landscape-led residential neighbourhood integrated around a new secondary school and a network of open spaces. Located next to the Greenway and Cycle Superhighway 2, and near the Channelsea Path, the site has excellent pedestrian and cycle links and can become an exemplar for active and sustainable travel. With a high proportion of affordable and family homes and a school at its heart, Rick Roberts Way will be an inclusive lifetime neighbourhood, where younger and older people and people from different backgrounds can equally participate and access what is on offer.



Project Information

Planning Status

Outline consent for approximately 400 homes as part of LCS planning consent.

Delivery Status

Developer Procurement to start in 2022

Programme

Overall	2025-2028
---------	-----------

Housing Programme

Portfolio Site (Linked with Stratford Waterfront, Bridgewater and Pudding Mill)

Delivery Structure

Development Agreement

No. of Family Homes (3 bed +)

136 homes out of 453 - 42%

Affordable Housing

326 homes out of 453 - 72%

Commercial Uses

up to 550sqm (use class A1-A5)

Community Facilities

c.230 sqm

Sustainability targets

LLDC Standards 2012

New London Plan

LETI, RIBA 2030

Post Occupancy Evaluation

Developer to carry out POE on phase completion

Design Quality

To meet LLDC's Design Quality Policy (2019)

Inclusive Design Standards

Phase	No of homes	Unit Type				Tenure		
		1B	2B	3B	4B+	market	intermediate	low cost rent
TOTAL	453	221	96	136	-	127	163	163

Bridgewater is a car-free, family neighbourhood set within the southern peninsula of Queen Elizabeth Olympic Park. The masterplan was developed around a number of permeable triangular courtyards, which exploit key connections to the Waterworks River, Greenway and Manor Garden Allotments. It creates defined and well activated routes between Queen Elizabeth Park and Stratford. Circa 600 high quality homes will be provided within a range of typologies, from townhouses, to duplexes, to lateral apartments. The homes will front onto play streets and local scale community spaces to create active and playable routes around the site.



Project Information

Planning Status

Outline Planning to be submitted Spring 2021

Delivery Status

Developer Procurement to start end of 2020

Programme

Overall	2023/2024 - 2029/2030
---------	-----------------------

Housing Programme

Portfolio Site (Linked with Stratford Waterfront, Pudding Mill and Rick Roberts Way)

Delivery Structure

Land Sale

No. of Family Homes (2 bed +)

c.312 homes out of 587 - 53%

Affordable Housing

c.278 out of 592 homes - 50% by hab. room (30%LAR, 70% Intermediate)

Commercial Uses

c.600sqm of local retail space

Community Facilities

c. 120sqm

Sustainability targets

LLDC Standards 2012

New London Plan

Post Occupancy Evaluation

Developer to carry out POE on phase completion

Design Quality

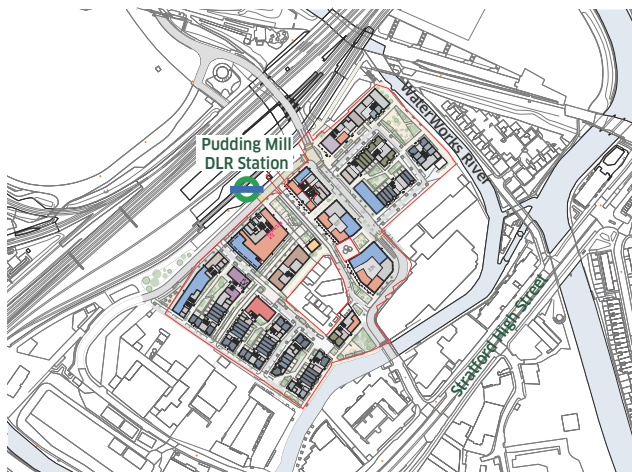
To meet LLDC's Design Quality Policy (2019) Inclusive Design Standards

Phase	No of homes	Unit Type				Tenure		
		1B	2B	3B	4B+	market	intermediate	low cost rent
TOTAL	587	275	171	141	-	298	193	96

PUDDING MILL LANE

pudding Mill Lane is a c.5 hectare site located to the south of Queen Elizabeth Olympic Park (QEOP) between Pudding Mill Lane DLR station and Stratford High Street. The masterplan is being developed to deliver new homes, a new and sustainable local centre and an employment hub alongside new public open spaces and social infrastructure. The regeneration of Pudding Mill Lane will be the gateway to the South of QEOP, and will provide links to Stratford High Street, Sugar House Lane and Bromley By Bow.

The masterplan will deliver c.950 new homes with 45% as affordable by habitable room, as well as c.38,000 sq m of employment space, retail and community uses.



Project Information

Planning Status

Outline Planning to be submitted Spring 2021

Delivery Status

Developer Procurement to start late 2021 early 2022

Programme

Overall	2024/2025 - 2031/2032
---------	-----------------------

Housing Programme

Portfolio Site (Linked with Stratford Waterfront, Bridgewater and Rick Roberts Way)
Neighbourhood Centre Site

Delivery Structure

Development agreement / Joint Venture

No. of Family Homes (2 bed +)

c.617 homes out of 948 - 65%

Affordable Housing

c.383 out of 948 homes - 46.5% by hab. room (30%LAR, 70% Intermediate)

Commercial Uses

39,130 sqm of B1 workspace and 2124 sqm of retail

Community Facilities

Medical Centre, Pharmacy, Nursery and Community Floorspace (Use Class D1&D2)

Sustainability targets

LLDC Standards 2012
New London Plan

Post Occupancy Evaluation

Developer to carry out POE on phase completion

Design Quality

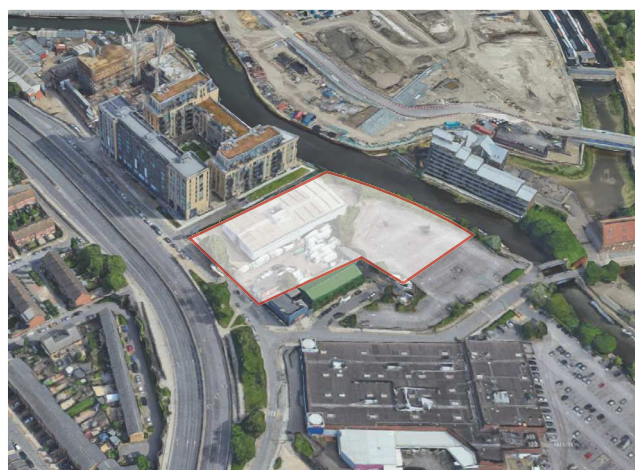
To meet LLDC's Design Quality Policy (2019)
Inclusive Design Standards

Phase	No of homes	Unit Type				Tenure				
		1B	2B	3B	4B+	market	BTR	OPH	intermediate	LAR
TOTAL	948	331	442	175	-	465	100	40	225	117

BROMLEY BY BOW

Bromley by Bow is a site which sits in the northern quarter of the wider Bromley by Bow masterplan area. The site sits between the River Lea to the East and A12 to the West. Subject to planning the indicative scheme could deliver c.152 homes on LLDC’s land of which 35% + will be affordable and more than half will be 2 bed + family units.

Key objectives of the wider masterplan include delivery of a new neighbourhood centre, normalisation of the A12 with the installation of a new junction, improved connectivity towards Three Mills and Pudding Mill Lane and activation of the canal frontage.



Project Information

Planning Status

Supplementary Planning Guidance for wider masterplan

Delivery Status

Pre-application discussions

Programme

Overall	2024/2025
---------	-----------

Housing Programme

Neighbourhood Centre Site

Delivery Structure

Land Sale

No. of Family Homes (2 bed +)

76 homes out of 152 - c.50%

Affordable Housing

53 out of 152 homes - 35%

Commercial Uses

-

Community Facilities

-

Sustainability targets

LLDC Standards 2012

New London Plan

Post Occupancy Evaluation

Developer to carry out POE on phase completion

Design Quality

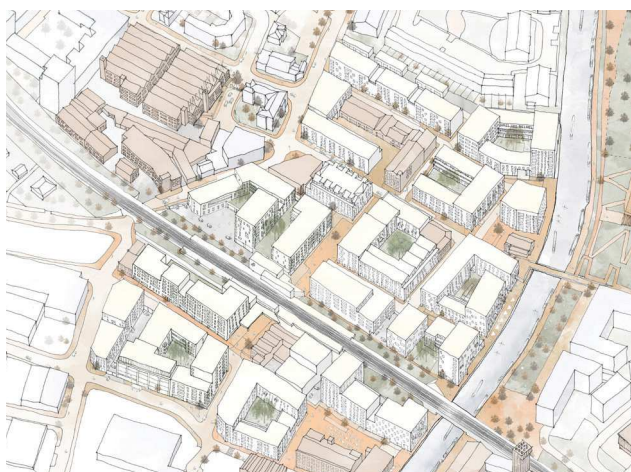
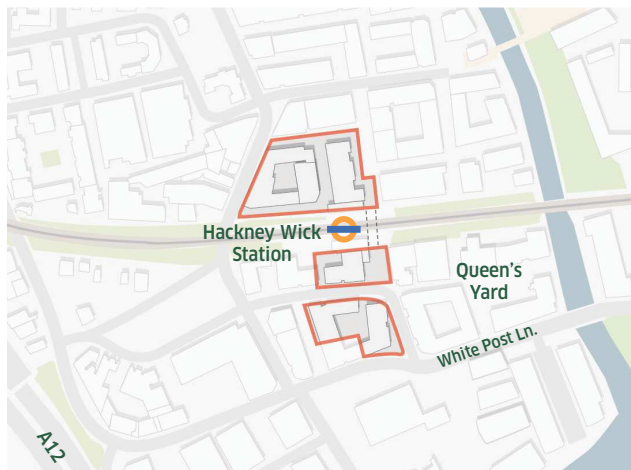
To meet LLDC’s Design Quality Policy (2019)

Inclusive Design Standards

Phase	No of homes	Unit Type				Tenure		
		1B	2B	3B	4B+	market	intermediate	low cost rent
TOTAL	152	tbc	tbc	tbc	tbc	99	37	16

HACKNEY WICK

Hackney Wick comprises 3 mixed use blocks on LLDC land north and south of the new award winning Hackney Wick Station, and will deliver approximately 190 new homes. The scheme will be crucial to the delivery of the north-south pedestrian route, including the public realm to the south of the station. The project vision is for a high quality scheme that draws on the unique character of Hackney Wick, and makes a major contribution to the creation of a neighbourhood centre. The buildings will include creative low cost workspace at the ground floor and other business and retail spaces, that will contribute to a vibrant street scene. The scheme is currently at developer procurement stage.



Project Information

Planning Status

Outline Planning Approval granted

Delivery Status

Developer Procurement underway - to be appointed end of 2020

Programme

Overall	2021/2022-2026
---------	----------------

Housing Programme

Neighbourhood Centre Site

Delivery Structure

Development Agreement

No. of Family Homes (2 bed +)

50% of all homes 2-bedroom or larger.

40% of all Affordable Housing 3-bedroom homes.

Affordable Housing

82 homes - 42% (50% by hab. room)

Commercial Uses

Ground floor business & retail, including low cost workspace

Community Facilities

Hub 67 community space will need to be re-provided, if not provided in time on plot LM

Sustainability targets

LLDC Standards 2012

New London Plan

LETI, RIBA 2030

Post Occupancy Evaluation

Developer to carry out POE on phase completion

Design Quality

HW Central Masterplan and Design Code

LLDC Design Quality Policy (2019)

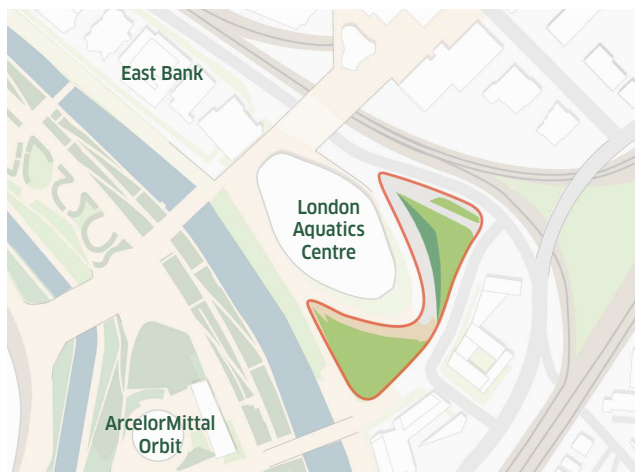
Inclusive Design Standards

Design Quality Management Protocol

Phase	No of homes	Unit Type				Tenure		
		1B	2B	3B	4B+	market	intermediate	low cost rent
TOTAL	196	93	78	25	-	114	47	35

AQUATICS TRIANGLE

The Aquatics Triangle is located on the edge of the WaterWorks River, between the London Aquatics Centre (LAC) and new UCL East Campus. The site location presents an opportunity to develop a high quality residential development on the Park and near the amenities of the Stratford Metropolitan Centre, whilst improving the setting of the LAC and UCL East campus by significantly improving the public realm, to create well-defined spaces which form part of the Park.



Project Information

Planning Status

No planning permission in place- feasibility stage

Delivery Status

Developer Procurement to start end of 2020

Programme

Overall	2024/2025-2026/2027
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Housing Programme

Feasibility Site

Delivery Structure

Development Agreement

No. of Family Homes (3 bed +)

c.30 homes out of 120 - 25%

Affordable Housing

50 homes out of 120 - 42%

Commercial Uses

335 sqm retail

Community Facilities

-

Sustainability targets

LLDC Standards 2012

New London Plan

LETI, RIBA 2030

Post Occupancy Evaluation

Developer to carry out POE on phase completion

Design Quality

To meet LLDC's Design Quality Policy (2019)

Inclusive Design Standards

Phase	No of homes	Unit Type				Tenure		
		1B	2B	3B	4B+	market	intermediate	low cost rent
Phase 1/Total	120	48	42	30	-	70	24	26

CHOBHAM FARM NORTH

Chobham Farm is a family neighbourhood spanning between Queen Elizabeth Olympic Park and Stratford Town Centre. Chobham Farm North forms a strategic northern edge to this neighbourhood mediating between the scales of East Village and Leyton. It responds to the overall masterplan by creating a new green link between Drapers Field and Stratford Centre. Strung along this route is a series of semi-public mixed use courtyards. Non-residential uses are used to create active frontages onto this route and mediate the topography along the railway line. The massing responds to its varied urban condition and gives a new legibility and definition to Liberty Bridge Road. The site is jointly owned by LLDC and LCR



Project Information

Planning Status

No permission in place

Delivery Status

Local Plan Site allocation

Programme

One Phase	2021/2022- 2027
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Housing Programme

Feasibility Site

Delivery Structure

Land Sale

No. of Family Homes (3 bed +)

30% indicative

Affordable Housing

50%

Commercial Uses

c.800 sqm

Community Facilities

-

Sustainability targets

New London Plan

Post Occupancy Evaluation

Developer to carry out POE on phase completion

Design Quality

To meet LLDC's Design Quality Policy (2019)
Inclusive Design Standards

Phase	No of homes	Unit Type			Tenure		
		1B	2B	3B+	market	intermediate	low cost rent
TOTAL	81	21	33	27	41	40	

Appendix 5 - PRIORITY CONNECTIVITY PROJECTS

No	Project	Delivery Organisation	Funding (Required)	Funding (Available)	Funding Sources
1	Bromley By Bow – A12 Junction	TFL	s.43		TFL / S106 / LBTH
2	Roach Point Bridge link to Hackney Wick Station	Developer	-	-	S106 / Developer
3	H14 Bridge between Hackney Wick and Park	LLDC / Developer	s.43		LLDC Capital
4	Carpenters Bridge between IQL and SWFT	LLDC	s.43		LLDC Capital
5	Stratford Station Carpenters Entrance	LUL	s.43		S106 / LBN / LUL
6	Sugar House Lane to Bromley By Bow Bus Bridge	Developer	-	-	Developer
7	Sidings Intersection Link	LLDC / LBN	s.43		S106
8	Stratford Walk	LLDC	s.43		LLDC Capital / S106
9	SWFT Carpenters Road Cycle Provision	LLDC	s.43		LLDC Capital
10	Pudding Mill Lane Interim Public Realm	LLDC	s.43		S106
11	Pudding Mill Lane Marshgate Lane North Link to QEOP	LLDC	To be scoped		
12	Stratford Station North Eastern Entrance to Angel Lane	Developer / NR	-	-	S106 / Developer
13	QEOP North / South Link Road (SIW)	LLDC / Developer	s.43		LLDC Capital
14	Westfield Avenue (PR and Cycling)	LLDC / Newham	s.43		S106 / Newham

15	Pool Street Realignment	LLDC / Developer	s.43		S106 / CIL
16	Bridgewater Bridge (E48)	LLDC / Developer	s.43		LLDC Capital
17	Pudding Mill Lane Greenway connection	LLDC	s.43		
18	Wick Lane A12 Junction	TFL / NR			Network Rail
19	Marshgate Lane High Street Link (Bow Vision)	TFL	s.43		TFL / S106 / Developer
20	Cycle Programme	Various	tbc	tbc	

Appendix 6

RISKS and ISSUES

Line Number	Activity	Title	Description	Mitigation Plan	Latest Progress	RAG Status
1	Chobham Manor Development	LLDC capital receipts	Capital receipts to LLDC shown in business plan could be reduced if the market stagnates, which could be caused by economic downturn following COVID19 crisis	Ensure quality of specification is good and be reasonable with business plan projections	Prices seem to have remained at pre-Covid levels and Taylor Wimpey are confident that sales will continue at a pre-Covid rate.	G
2	Chobham Manor Development	S.43	S.43	S.43	S.43	A
3	Development	Unfunded infrastructure costs	Risk that the Corporation's site wide enabling works identified in the LCS and S106 payments are not covered by future developments, leading to financial implications for LLDC and the GLA.	Known infrastructure costs are built into long term model. Ensure close work with GLA on potential impacts of future developments	High Delivery Confidence. Updated following risk review.	G
4	Development	Delivery of current housing developments (receipts, schedule, regeneration, reputation)	<p>Housing developments are underway on the Park at East Wick and Sweetwater and Chobham Manor. There is a risk that phases of these developments will be S.43</p> <p>leading to reduced receipts to LLDC, delays in completion, reputational impacts and reduced regeneration benefits.</p> <p>Causes: C1: Developer concerns about viability of the schemes. C2: Market conditions: higher Tender Price Inflation, lower House Price Inflation, availability of required construction materials. Impact of leaving the European Union a possible factor in these risks. C3: Structure of development agreements, for example LLDC under the structure of the Chobham Manor development agreement is unable to influence the pace of this development C4: Developer fails to meet planing deadlines (e.g.EWS RMAs to be submitted before Sept 2020. If the developer fails to meet this deadline,the consent would lapse and a new planning application would be required with new affordable housing requirements. This could have a major impact on LLDC's receipts. LLDC could take on this responsibility with major costs relating to design and planning fees. C5: Delays to commencement of procurement of a developer for the Stratford Waterfront and Bridgewater sites pending agreement with the GLA on the Joint Venture structure.</p>	<p>Close monitoring of external economic factors, including HPI and TPI, feeding into residential modelling, ongoing (C2) Ensure prudent assumptions in long term plan. (C2) Work with development partners to ensure schemes are profitable, varying agreements where required. S.43 (C1, C3) Ensure all parties understand the reputational impacts of housing being delayed or not brought forward. (C1, C2, C3) KPIs in place with EWSW developer but dependent of readiness to develop criteria which are which are market dependent (C3) Develop contingency plans should developers withdraw, including direct LLDC delivery. (C1-3) Work with the Developer to ensure they programme enough time for planning in order to meet this deadline. (C4) Engagement with GLA to complete discussions on the JV (C5)</p>	<p>This will remain a risk until most of the units are sold. Ensure that the Long Term Model reflects the current position through quarterly budget reviews and the budget process.</p> <p>Construction of Chobham Manor continues to progress well. All Phase 2 units have sol, first of the Phase 3 blocks are water tight and the first homes have sold, phase 4 is also on site with enabling works underway.</p> <p>East Wick and Sweetwater phase 1 works continue to progress broadly on track and the first homes are expected to be completed in Autumn this year. S.43</p>	R

Line Number	Activity	Title	Description	Mitigation Plan	Latest Progress	RAG Status
5	Development	Delivery of future housing developments (receipts, schedule, regeneration, reputation)	<p>Housing (with mixed use commercial and community) developments are planned by LLDC at Pudding Mill Lane, Rick Roberts Way, Stratford Waterfront and Hackney Wick. There is a risk that these developments will be delayed or not be delivered leading to reduced receipts to LLDC, delays in completion, reputational impacts and reduced regeneration benefits. Causes exacerbated by COVID 19 crisis - see progress.</p> <p>Causes: C1. Decision on overall housing strategy for LLDC is delayed leading to delays in going to the market C2. Change in Mayoral policy following publication of SPG for 50% affordable housing on public sector land leads to reduced receipts and a reduced pool of interested developers. C3. Acceleration of delivery will lead to reduced receipts C4. Lack of interest from the market due to economic conditions: higher TPI, lower HPI, impact of leaving EU C5. Without clarity on strategy on affordable will reduce market interest significantly. Tendering for public projects is expensive to the private sector and market considers very carefully where to invest resources in bidding in uncertain economic and political climate. C6. Planning permission for the developments being delayed or deferred where they do not meet the Mayor's affordable housing threshold. Delays also caused by stakeholder objections. Conditions around tenure mix could be applied to later housing developments as part of Stratford Waterfront planning permission. C7. Unable to unlock RRW by agreement with other landowner, LB Newham. LBN may want to build a school on the site. C8 Physical site constraints d C9. Complexity and management of the proposed Jjv reduces LLDC's influence on delivery and regeneration benefits C10. Unexpected construction costs (e.g. remediation) C11: Delays to commencement of procurement of a developer for the Stratford Waterfront and Bridgewater</p>	<p>Seek a decision on housing priorities from the Mayor. Close and joint working with the GLA, understand implications of the Mayor's affordable housing aims and ensure impacts of affordable housing on capital receipts are understood by GLA. Grant for affordable housing to support Mayoral policy is fundamental to delivery. (C1, C2, C3) Management capacity and Board focus on housing strategy including regular Board discussions (C1, C2, C3, C5) Close monitoring of external economic factors, including HPI and TPI, feeding into residential modelling, ongoing (C4) Due to market influences and risk exposure continue to monitor ambitious and challenging receipts targets in long term plan (C2) Ensuring an attractive opportunities with LLDC and GLA objectives aligned and clear and a streamlined procurement process is essential (C5) Early briefings to the Planning Committee and agreed and aligned strategy with GLA Planning, Housing and Policy. Clear and comprehensive communication and Community engagement strategy including public consultations on emerging plans (C6) Prepare proposal on a JV structure that seeks to align objectives and delivers LLDC regeneration objectives (C8) Progress discussions with LB Newham on possible sale of site. Aim for MoU to be in place in autumn 2019. (C7) National Grid part of RRW capacity study to seek to influence pace of decommissioning (C8)</p> <p>S.43</p> <p>Engagement with GLA to complete discussions on the JV (C11)</p>	<p>increased in likelihood given increased construction costs, restrictions on activities (e.g EIA baseline testing) the economic downturn and decreased funding opportunities following lockdown, and impacts on planning. Chobham Manor back on site and working at an increased productivity level up to c67%. EWSW is a risk in terms of delivery but Phase 1 progressing OK with c 6 weeks delays due to Covid.</p>	
6	Development	Housing developments: meeting planning deadlines	<p>The masterplan for the Park, the Legacy Communities Scheme, included deadlines to submit detailed planning applications (Zonal Master Plans, Reserved Matters Applications) for individual development sites. There are also deadlines associated with the planning consent secured for the East Bank. If these deadlines are not met planning for individual sites would lapse and a new planning application would be required in line with affordable housing policy. This will have a major impact on LLDC's receipts, borrowing cap and Long Term Model. There is a risk that issues relating to individual sites will not be resolved in time. East Wick and Sweetwater: ZMP for Sweetwater and RMAs for all phases to be submitted before Sept 2020. S.43</p> <p>Rick Robert's Way: planning needs to be submitted by December 2021. Part of the land is owned by LB Newham and progress has been slow in agreeing a joint delivery strategy which is putting pressure on the programme. Pudding Mill Lane planning needs to be submitted by December 2021. The masterplan is currently being developed.</p>	<p>LLDC is considering how it would preserve the planning consent (which would not preclude delivering a higher proportion of affordable housing), but would incur costs relating to design and planning fees to mitigate the challenges of achieving a planning consent for a new scheme in the current political climate. East Wick and Sweetwater: ongoing negotiations with the Developer. Pudding Mill Lane: design teams appointed and producing masterplans for the two sites. Rick Roberts Way: A new approach has been agreed following a CEO level meeting on the 29th Jan 2020 for LBN & LLDC to joint masterplanning the full site</p>	<p>Risk that planning deadlines for housing developments will be missed has increased in likelihood due to lockdown. Business and Planning Bill is going through parliament. This includes extensions to planning timelines to April 2021, which will help for EWSW but not the later development</p>	
7	East Wick and Sweetwater	Developer withdraws from the development	<p>There is a risk that the developer could withdraw from the scheme. This would lead to potential reprocurement, delays in the programme and the possibility of a development with reduced financial return to LLDC. Risk exacerbated by COVID 19 crisis which may impact on viability.</p>	<p>Ensure close working with the developers to ensure any potential areas of dispute are identified early and resolved quickly.</p>	<p>S.43</p>	
8	East Wick and Sweetwater	Failure to submit RMAs before LCS deadline.	<p>The LCS requires all EWS RMAs to be submitted before Sept 2020. If the developer fails to meet this deadline, the consent would lapse and a new planning application would be required. Risk exacerbated by COVID 19 crisis</p>	<p>Work with the Developer to ensure they programme enough time for planning in order to meet this deadline. The risk is regularly raised at Project Board S.43</p> <p>Government legislation being introduced to extend planning deadlines.</p>	<p>S.43 Represents a major project risk</p>	

Line Number	Activity	Title	Description	Mitigation Plan	Latest Progress	RAG Status
9	Infrastructure	High voltage electrical capacity insufficient, requiring reinforcement	s.43	Overall Park energy capacity strategy being developed by Atkins. Outputs will include assessment of risk of electrical and switch capacity, costs of potential reinforcement and recommendations about potentially paying to reserve future capacity. Consider whether Stadium may also impact on this as part of energy study.	UKPN have provided strategic level information, and switchgear limitations. Atkins' energy strategy draft output presented identifying need for additional switchgear, but concluding that actual loads are below capacity, and are likely to remain as such. Meeting with UKPN on 5th November identified that there should be sufficient capacity to serve LLDC developments within the main Park from the 11kV ring mains, without call on switches at KYPSS. Furthermore, a number of switches has been released, creating some spare capacity. s.43	A
10	Infrastructure	District Heating Network Carbon Factor Degradation	The District Heating Network (DHN) is a heating and cooling network as the Park's principal energy infrastructure. It was built and funded by East London Energy (ENGIE) who have a 40 year concession (to 2053) to supply heat/hot water with an agreed pricing mechanism. Their investment is protected by an obligation for all developers to connect to the DHN within an exclusivity area. The obligation to ensure this happens is LLDC's as (joint) employer of the concession and LLDC has put in place covenants or co-operation agreements with landowners to protect this obligation. Savings in carbon emissions delivered by Combined Heat and Power engines have declined due to the unanticipated speed of the de-carbonisation of the electrical grid, and the decline is set to continue. This may result in CHP ceasing to be a carbon-saving energy technology in the near future, with reputational and financial impacts. Furthermore, In 2018 a revised version of the Government's Standard Assessment Procedure SAP10 was published to allow for an assessment of the new method. The upshot of the new standard is that there is a further significant degradation of the relative carbon savings of the DHN, which could show no calculated saving against electricity by 2020, with financial, planning and reputational risks for future LLDC and non LLDC developments on the Park, including the possibility of developer challenge, requirements to vary the concession agreement and make changes to the network.	Act as Joint Employer with SCDL to work with ENGIE to create a credible plan for decarbonisation including clear carbon targets, technical solutions, funding options and timescales: - LLDC / SCDL to help Engie understand carbon performance levels required for buildings to continue to connect to network and meet statutory and occupier expectations. - Actively track and pursue external funding sources. - Work with Engie to source funding for decarbonisation plan - Establish base line of future projects - Lobby appropriate bodies to continue to raise the challenges (practical, technical and funding) of decarbonising existing networks	Specialist advisor appointed in April 2020 Deep Dive held 8th June 2020 to clarify current position and agree way forward. Meeting with s.40 held 18th June 2020 to discuss Private Wires and decarbonisation. Regular monthly meetings now in place with Engie to progress Legal review of concession to be started (shared with SCDL) Conversations underway with URW and Lendlease to understand future pipeline of connections Technical study underway to set out potential future carbon targets Review of customer pricing underway to establish headroom (if any) for price increases.	R
11	Legal Opportunities Scheme Planning	Failure to submit PDZ4 ZMP and remaining RMAs for PDZ4 and 5	Failure of EWS JV to submit the Zonal Masterplan for PDZ4 (Sweetwater) and Reserved Matters applications for PDZ4 and PDZ5 (East Wick) by September 2020 results in LCS permission in respect of PDZ4 and PDZ5 lapsing. Any new development would require a new application which would be considered against current planning policies and CIL requirements which were not applicable to the LCS at the time of that consent. This would impact on LLDC's receipts and delivery programme.	LLDC Development to prepare options analysis for discussion at SEMT (04.07.19)	ZMP and RMA submission programme is challenging and is reliant on changes to the LCS consent, some of which are no immaterial. Pre-application discussions are being held with PPDT.	R
12	Pudding Mill Lane and Bridgewater Masterplan	Unable to meet Long Term Plan Receipt Target	Political change or masterplanning and planning process leads to a scheme which is not achievable against the Corporation's long-term Business Plan forecast for capital receipts, leading to financial impacts, damage to the Corporation's reputation, and inability for the GLA to fully repay the National Lottery debt. COVID 19 crisis exacerbating this risk due to potential impacts of economic downturn.	Close liaison with Finance, Commercial and Corporate Services to ensure robust viability assessment. Management of viability assessment as part of the design process.	Viability is being closely modelled alongside the design development to ensure the projects are deliverable and that the LTM forecasts are met or exceeded. This will continue to be managed and monitored as the project progresses with regular viability review milestones built in to the programme with finance so progress can be monitored.	A
13	Pudding Mill Lane and Bridgewater Masterplan	s.43	s.43	s.43	s.43	A
14	Pudding Mill Lane and Bridgewater Masterplan	Access: Bridgewater Bridge (E48)	s.43	Land acquisition to be investigated. Revised designs and costing for bridge to be developed. Further investigation has revealed that LLDC hold a stronger right of way over Bridgewater Road than previously thought, making a workable agreement to re-level the land more likely at a lower cost	s.43	R
15	Rick Roberts Way	s.43	s.43	Early and through consideration for potential legal and procurement issues that could hinder our position if procuring a development partner.	s.43 This strategy has been agreed with LLDC procurement.	S
16	Rick Roberts Way	Failure or delay in land / development agreement with LB Newham at Rick Roberts Way	Part of this site is owned by LB Newham. no agreement is reached the project will not go ahead.	A working group has been set up as a forum to discuss this agreement. Both parties are having an external valuation completed on the site to enable discussions.	A CEO level meeting in January 1 has changed the proposal from a sale to LBN to co-masterplanning the site with LBN (assumption school + c.450 homes). Ongoing delays in reaching agreement on approach means the planning submission deadline of 31/12/21 is unlikely to be met and an application to extend the deadline will need to be made	A
17	Stratford Waterfront and Bridgewater Delivery	Governance	Failure to agree public sector SPV	Active engagement with GLA	Simplified structure of a GLA to LLDC funding agreement now agreed at MD level. Risk remains that this agreement is not signed before procurement launch.	A

Line Number	Activity	Title	Description	Mitigation Plan	Latest Progress	RAG Status
18	Stratford Waterfront and Bridgewater Delivery	Programme Risk	Procurement of development partner fails to deliver in a timely manner	pro-active management of the procurement process	Programme has slipped a number of times, MD now achieved and LLDC is producing all the relevant documents.	A

NOT FOR PUBLICATION

Issue Register

Line Number	Activity	Title	Description	Proposed Resolution	Latest Progress	RAG Status
1	Development	Impact of COVID19 on housing developments	Managing the impact of Coronavirus on LLDC's activities including: economic downturn and impact on housing market; developers not having the resources/going out of business; perception of poor viability; enhanced likelihood of no deal brexit and impacts on supply chain; construction delays due to social distancing; restrictions on on-site activities (e.g. EIA baseline testing; PPDT Transition date before RMAs submitted and approved; reduced funding from Mayor of London and TfL in support of housing developments (e.g. Bromley by Bow). Ensuring the directorate manages the situation effectively to minimise the impacts and ensure a successful and safe recovery including: health and safety and public order, financial (ensuring savings and efficiencies), operational, schedule, delivery of objectives, and reputation. Note that this issue has exacerbated many of the housing risks on the register	Close working with the GLA Market engagement Monitoring national developments and the impact on the local market,	New generic issue raised around impact of COVID on housing programme.	R
2	East Wick and Sweetwater	Delivery of later phases of East Wick and Sweetwater	s.43 [REDACTED]	s.43 [REDACTED]	Issue exacerbated due to COVID-19 crisis, wording updated	R
3	Development	Meeting affordable housing targets	Future housing developments on the Park will be required to meet the Mayor of London's affordable housing targets. The impact this will have on reducing receipts is unfunded and the impact on the viability of the developments is not yet known.	Secure GLA funding for the reduction in receipts (the Mayor has announced his intention to do this but there is no formal agreement), papers tabled / agreed through GLA Policy Liaison. Work with the GLA and the market where possible to understand the impact of affordable housing on the viability of developments and LLDC resourcing.	Stratford Waterfront procurement to include Bridgewater (PML) to mitigate occupancy conditions. Portfolio approach agreed in Planning to deliver affordable housing on Stratford Waterfront, Pudding Mill Lane and Rick Roberts Way. Discussions are ongoing with LB Newham and GLA relating to the delivery of Rick Roberts Way and possible sale to Newham, planning requirement to submit outline planning by Dec 21 to secure affordable housing portfolio plan.	A
4	Rick Roberts Way	RRW: National Grid Gasholder Not Decommissioned (risk impacting on delivery)	NG's licence to continue with existing use is valid for another 17 years and the gas holder could be brought back into use depending on business needs, although there are currently no plans for this. NG willing to masterplan sites together, but any proposal would need to cover the decommissioning costs of circa £4m and produce a reasonable return for NG. Half of PDZ12 is within the blast zone of the gas holder and as a result cannot be developed without decommissioning.	Revise the current scheme to test if NG's expectations can be met and PDZ12 values be improved. Agree with NG to decommission their facility and enable the development of PDZ12.	A number of meetings have been held with NG. NG plan to pass the land (conditional on planning) to St Williams (JV between Berkley Homes & NG) March 21. They have advised that they decommission and revoke the licence once they themselves have planning certainty. Conversations are on-going.	A
5	Rick Roberts Way	Planning Obligation Deadline of 31/12/21 for RRW	The planning obligation to have submitted an application by 31/12/21 is not longer achievable due to delays in the planning design brief programme.	Mitigate risk through escalation to senior management and once the programme is fixed apply for a variation to the obligation.	The programme which originally did achieve a planning application by the required deadline has been delayed due to engagement and resource issues with LBN who are co-clienting. This has been further impacted by Covid 19 which has reduced their resource as senior level over the past 3 months.	A

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