

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD1107

Title: Transferring contracts from the GLA to the London Legacy Development Corporation

Executive Summary:

It is proposed that the Mayor make a transfer scheme that transfers the rights and liabilities under specified contracts relating to the London Legacy Development Corporation (LLDC)'s Olympic Park landholdings to the LLDC from the Greater London Authority. These contracts had, until 30 March 2012, been held by the London Development Agency on trust for the LLDC and were then transferred to the GLA on 31 March 2012 when the LDA was abolished.

Decision:

In exercise of the powers conferred by sections 200(4) and 218 of the Localism Act 2011, to make a transfer scheme that transfers from the Greater London Authority to the London Legacy Development Corporation, rights and liabilities under contracts specified in the schedule to the scheme.

Mayor of London

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct for elected Members of the Authority. Any such interests are recorded below.

The above request has my approval.

Signature



Date

14.12.12

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

Decision required – supporting report

1. Introduction and background

- 1.1 On 1 April 2012, the London Legacy Development Corporation (LLDC) – a Mayoral development corporation (MDC) established by Order made by the Secretary of State using powers conferred under section 198 of the Localism Act 2011 (“the Act”) – assumed all the assets, rights and liabilities of the Olympic Park Legacy Company (OPLC), and with them the responsibility for driving development and regeneration in the Olympic Park and surrounding area. Some assets, rights and liabilities had already been transferred into the OPLC from the London Development Agency (LDA) in 2010, as part of the agreement between the Mayor and Secretary of State for Communities & Local Government over the future of the Olympic Park landholdings and associated debt incurred by the LDA.
- 1.2 When the 2010 transfer from LDA to OPLC took place, a number of agreements between the LDA and third parties relating to the Olympic Park landholdings were not transferred to the OPLC. It was felt that, because the OPLC was not a statutory body, those particular contracts should remain held by the LDA on behalf of the OPLC. Two important things have happened since that position was agreed: first, the LDA has ceased to exist, with its interests in all its outstanding contracts (including those held on trust for OPLC) passing to the GLA and GLA Land and Property Ltd on 31 March 2012; and second, the LLDC (a body established by statute) has inherited the work programme of OPLC, and is therefore in a position to take on the interests in those contracts. It is therefore proposed that the GLA’s rights and liabilities in those contracts be transferred to LLDC, in order to ensure that the Park land can be managed as efficiently and effectively as possible by the body established by the Mayor for this purpose.
- 1.3 It is proposed that the Mayor make a statutory transfer scheme to transfer the GLA’s rights and liabilities in these contracts to the LLDC. Section 200(4) of the Act gives the Mayor the power to make a transfer scheme that transfers property, rights and/or liabilities to an MDC from, among other bodies, the GLA; section 218 of the Act makes further provision for the execution of such transfer schemes.
- 1.4 The proposed transfer scheme (*‘The Greater London Authority and the London Legacy Development Corporation Transfer Scheme 2012’*) is attached, setting out the proposed terms of the transfer and with a schedule setting out the details of the contracts which it is proposed should be transferred. It is proposed that the Mayor make this scheme by signing it as part of this decision.
- 1.5 It should be noted that a second transfer will be required in late January 2013. This will transfer the Lea River Park CPO contracts, and agreements that were transferred from the London Thames Gateway Development Corporation to the GLA, to the LLDC.

2. Issues for consideration

- a) Links to strategies and Mayoral and corporate priorities
The role of the LLDC in delivering Mayoral strategies and corporate priorities has been set out in previous (Mayoral) decisions relating to the LLDC. There are no further relevant points relating to strategies or corporate priorities arising from this specific decision.
- b) Impact assessments and Consultation
There is no material impact of the proposed transfer – the arrangement is a purely administrative one, placing the LLDC in a stronger position to efficiently and effectively manage its landholdings. The LLDC has been fully involved in the proposal to make the proposed transfer scheme. It is not considered that any further impact assessment or consultation is required in relation to this decision although the other contracting parties will be notified of the proposed transfer.

c) Equalities

Under section 149 of the Equality Act 2010, as a public authority, the Mayor must, in the exercise of his functions, have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not. There are no direct or indirect equalities implications associated with the making of this Scheme.

d) Risk

The proposed transfer reduces operational risk and increases efficiency by placing all matters relating to the LLDC's Olympic Park landholdings in the direct control of the LLDC. Consent from the other parties to the contracts in question is not required under a statutory scheme of this nature.

3. Financial Comments

There are no direct financial implications arising from this decision for the GLA. However, any obligations and liabilities relating to the transferred contracts remain within the GLA Group and since LLDC is dependent on grant funding from the GLA, which forms the bulk of its income, the GLA would be exposed to any residual risks that might arise after the transfer.

4. Legal Comments

The Mayor has the statutory power to make a statutory transfer scheme of this nature, transferring rights and liabilities under contracts from the GLA to an MDC, under sections 200(4) and 218 of the Localism Act 2011 ("the Act").

There is no statutory obligation on the Mayor to consult before making such a scheme but section 200(5) of the Act requires the Mayor to publish the scheme as soon after it is made as reasonably practicable.

5. Investment & Performance Board

This decision has not been considered by the Investment and Performance Board or Housing Investment Group as it does not commit GLA expenditure.

6. Background/supporting papers

- For signature: The Greater London Authority and the London Legacy Development Corporation Transfer Scheme 2012

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 (FOI Act) and other legislation. Part 1 of this form will be made available on the GLA website within 1 working day of approval. Any facts and advice that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form. Deferment is only applicable where release before that date would compromise the implementation of the decision being approved.

Is the publication of this approval to be deferred? NO
If yes, for what reason:

Until what date:
Is there a part 2 form - NO

ORIGINATING OFFICER DECLARATION:

	Tick to indicate approval (✓)
<p>Drafting officer: <u>Dan Hawthorn</u> has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision.</p>	✓
<p>Assistant Director/Head of Service: <u>Dan Hawthorn</u> has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.</p>	✓
<p>Sponsoring Director: <u>Neale Coleman</u> has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.</p>	✓
<p>Mayoral Adviser: <u>Neale Coleman</u> has been consulted about the proposal and agrees the recommendations.</p>	✓
<p>Advice: The Finance and Legal teams have commented on this proposal.</p>	✓

OFFICER APPROVAL

Executive Director, Resources

I have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report.

Signature *M. J. Lelle*

Date 11.12.12

Chief of Staff

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

Signature *S. M. C.*

Date 12/12/12

Localism Act 2011

The Greater London Authority and the London Legacy Development Corporation Transfer Scheme 2012

The Mayor of London, in exercise of the powers conferred by sections 200(4) and 218 of the Localism Act 2011 makes this Scheme.

Interpretation

1 In this Scheme -

“the Act” means the Localism Act 2011;

“the Authority” means the Greater London Authority;

“LLDC” means the London Legacy Development Corporation established under the London Legacy Development Corporation (Establishment) Order 2012¹

Citation and Transfer date

2 This scheme shall be cited as the Greater London Authority and the London Legacy Development Corporation Transfer Scheme 2012 and shall come into force on 17 December 2012 (“the transfer date”).

Transfer of rights and liabilities of the Authority to LLDC

3 On the transfer date, the property rights and liabilities of the Authority under the contracts specified in the Schedule to this scheme, are transferred to LLDC.

Continuity Provision

4 Anything done (or having effect as if done) before the transfer date by or in relation to the Authority in respect of anything transferred by this Scheme, has effect on and after that date as if done by or in relation to LLDC.

5 Anything which before the transfer date is in the process of being done by, on behalf of, or in relation to the Authority in respect of anything transferred by this Scheme (including legal proceedings) may be continued on and after that date by, on behalf of, or in relation to LLDC.

6 Any reference to the Authority (or any body from which the Authority has inherited property, rights or liabilities) in an instrument or other document in respect of anything transferred by this Scheme is to be treated on and after the transfer date as a reference to LLDC.

7. Section 36(3)(c) of the London Olympic Games and Paralympic Games Act 2006 continues to apply to land transferred by this Scheme until such time as that section is repealed.

¹ SI 2012 No 310

Name: Boris Johnson

The Mayor of London

Signed.....

Dated.....14.12.12

SCHEDULE

1. Agreement for Grant of Rights over land at the Olympic Park and Stratford Station for the benefit of the Stratford City Development, dated 16 July 2008 between: The London Development Agency (1) The Olympic Delivery Authority (2) Stratford City Developments Ltd (3).
2. Agreement relating to Thames Water assets in the Olympic Park dated 2 June 2006 between: The London Development Agency (1) and Thames Water (2).
3. Undertaking Agreement dated 12 June 2006 between: The London Development Agency (1) and Network Rail Infrastructure Limited (2).
4. Agreement for Deeds of Grant and Settlement in relation to land at Stratford dated 16 July 2008 between: The London Development Agency (1) Olympic Delivery Authority (2) Network Rail Infrastructure Ltd (3) Stratford City Developments Ltd (4), as amended by a Deed of Variation and Supplemental Agreement between: The London Development Agency (1) Olympic Delivery Authority (2) Network Rail Infrastructure Ltd (3) Stratford City Developments Ltd (4) dated 30 September 2010.
5. Lease dated 7 June 2007 of land at Bow Midland East between: Network Rail Infrastructure Ltd (1) and English Welsh and Scottish Railway Limited (2) as varied by a Deed of Variation dated 14 December 2009 between Network Rail Infrastructure Ltd (1) London Development Agency (2).
6. Deed of Covenant relating to land at Stratford dated 30 September 2010 between: The London Development Agency (1) Olympic Delivery Authority (2) Network Rail Infrastructure Ltd (3) Stratford City Developments Ltd (4) The Secretary of State for Transport (5).