

EXPLANATORY MEMORANDUM TO

THE LONDON LEGACY DEVELOPMENT CORPORATION (ESTABLISHMENT) ORDER 2012

2012 No. 310

1. This explanatory memorandum has been prepared by the Department for Communities and Local Government and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

2.1. This Order establishes a Mayoral Development Corporation (MDC) named the London Legacy Development Corporation, for an area in East London including the Olympic Park, site of the London Olympic and Paralympic Games 2012, covering parts of the London Boroughs of Hackney, Newham, Tower Hamlets and Waltham Forest.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1. None

4. Legislative Context

4.1. Under section 197(1) of the Localism Act 2011 (“the Act”) the Mayor of London is empowered to designate any area of land in Greater London as a Mayoral development area, provided:

- he considers that this is expedient for furthering one or more of the Greater London Authority’s principal purposes (section 197(3)(a));
- he has consulted specified elected and other bodies and individuals and had regard to any comments made by these consultees (sections 197(3)(b) and (c));
- he has published any comments made by the consultees specified in section 197(3)(d) which he does not accept along, with his reasons for this non-acceptance; and
- he has laid a document stating that he is proposing to designate an area before the London Assembly, and a period of 21 days has elapsed without the Assembly rejecting the proposal (sections 197(3)(e) and (f))

4.2. Section 198 of the Act requires the Secretary of State, if notified by the Mayor that he has designated a Mayoral development area, to make an order establishing a MDC for this area. The Secretary of State is required to give the MDC the name notified by the Mayor.

5. Territorial Extent and Application

5.1. This instrument applies to England.

6. European Convention on Human Rights

6.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1. This Order establishes a Mayoral Development Corporation (MDC) in relation to the Olympic Park and surrounding areas. It will provide the Mayor of London with a single body which possesses the necessary powers to achieve the Mayor's aims for the regeneration of this area.

7.2. The MDC's boundary will encompass:

- the core Olympic Park, comprising land owned by the Olympic Park Legacy Company (OPLC) and the Lee Valley Regional Park Authority, including Eton Manor
- the Olympic Village and associated development sites owned by London & Continental Railways Ltd and (until recently) the Olympic Delivery Authority (ODA)
- the Stratford City development site, including the Westfield Shopping Centre and Chobham Farm
- Hackney Wick and Fish Island
- Bromley-by-Bow North (with a southern boundary at the District Line)
- Pudding Mill Lane and Sugarhouse Lane
- Three Mills and Mill Meads
- Carpenters Estate.

7.3. Currently, regeneration specifically within the confines of the Olympic Park is the responsibility of the Olympic Park Legacy Company. Investment, regeneration and planning in the wider area are the responsibility of the London Thames Gateway Development Corporation, the Olympic Delivery Authority and the relevant local authorities.

7.4. The principal objective of establishing an MDC is to bring together in a single body responsibility for co-ordinating regeneration, development and planning within its boundary. This will ensure a clear and integrated approach to the ongoing development of the area in a way which is responsive and accountable to local concerns while reflecting the area's strategic significance for London. Accordingly, the aims of the MDC are:

- to deliver integrated land management and town planning necessary to implement a coherent plan for the Olympic Park and surrounding area (which overlaps four separate local planning authorities);
- to maximise the receipts available from the development of the Olympic Park within a clear regeneration framework;

- to offer clear legacy leadership, accountable management, and a single point of contact for development partners and potential investors;
- to be in place and operational before the Olympic Games begin; and
- to reflect the Government's localism policy, which aims to ensure that power should be exercised at the lowest practical level, by transferring political control, funding and direction to the elected Mayor of London.

7.5. The Government has also decided to simplify the delivery of public services and to minimise overlapping responsibilities by reducing the numbers of sponsored public bodies. The MDC will help achieve these aims by:

- wholly replacing the OPLC which currently owns and manages the Olympic Park; and
- taking over planning functions from that part of the London Thames Gateway Development Corporation (LTGDC) which currently operates in the MDC's area, and from the ODA. Both bodies are to be wound up in due course.

7.6. The MDC established by this order will not, initially, possess powers in relation to town and country planning. However, the Mayor has decided that the MDC will become the local planning authority for its area, and that it will be given a range of planning functions. It is intended that legislation to implement this will be made later in 2012.

8. Consultation outcome

8.1. The Mayor of London consulted on the proposed MDC (as required by section 197 of the Localism Act 2011) between February and April 2011. The statutory consultees were the London Assembly, Assembly members and Members of Parliament whose constituencies contain a part of the proposed MDC area and the four London Borough Councils whose areas contain a part of the proposed MDC area. The Mayor also invited responses to his proposals from others whom he considered it appropriate to consult, and invited responses from any person that wished to submit one.

8.2. The responses to the key questions posed by the Mayor were as follows:

- a very large majority, including all the statutory consultees that responded, accepted and supported the case for an MDC in the area
- a large majority were broadly supportive of the proposed purpose of the MDC. Some respondents were keen to see more detail set out in the purpose, but the Mayor did not believe this necessary or appropriate.
- no respondent proposed that the boundary should not include any of the areas proposed. Some respondents proposed that specific additional areas should be included to the north-east and south-east. The Mayor agreed that there are neighbouring areas with significant potential for regeneration and growth, but he was not convinced that they met the requirement he had set that their success is genuinely interdependent with that of the Park itself. Nor did he agree with the

respondents who proposed that the MDC should cover a much wider area encompassing a much larger proportion of the growth and regeneration potential in north-east London, as in his view this would dilute the attention and resources of the Corporation so much as to jeopardise its core purpose.

- a very large majority accepted that the MDC should have development control powers for the area within its boundary.
- a large majority of private sector, landowner and developer respondents strongly supported the proposal that the Corporation should also have plan-making powers, but others, including three of the four affected local authorities, disagreed with this. The Mayor concluded that the MDC could not meet its responsibilities without having plan-making powers as well as development control powers, and that none of the responses had changed his mind on this point.
- only a relatively small number of responses commented on the proposal that the MDC should have the function to grant discretionary relief from non-domestic rates. Most felt that while this could be a useful tool for the MDC, it was hard to take a firm view in the absence of any specific proposals to use it. Given this and the ongoing uncertainty on the Government's overall approach to business rates reform, the Mayor decided not to grant this power to the MDC from the outset. However, he stated that he remained open to the possibility that this power may be useful for the MDC in the medium-to-long-term future, and did not rule out deciding to grant this additional power to the MDC after it is established and once the overall business rates framework is clearer
- the Mayor concluded that he would not try to determine precise arrangements for the MDC's approach to the Community Infrastructure Levy before it has prepared its local development framework and without its planning functions and powers properly in place
- there was broad agreement that publicly owned assets should be consolidated and development of those assets co-ordinated in a more streamlined and straightforward way than at present, and hence with the proposition that all assets and programmes of OPLC should transfer into the MDC.

8.3 Full details of the Mayor's consultation and his response to submissions are available on the Greater London Authority website at www.london.gov.uk.

8.4 On 16 January 2012, the Mayor laid a document stating that he was proposing to designate a Mayoral development area before the London Assembly. On 18 January 2012, the London Assembly considered and unanimously supported the Mayor's proposals for this designation.

9. Guidance

Not applicable.

10. Impact

10.1. There will be no impact on business, charities or voluntary bodies.

10.2. The Order establishes a new body that will, ultimately, take over the functions, powers and assets of a number of existing public bodies. These bodies will then be wound up. There will be no impact on the local authorities in the MDC's area.

10.3. An Impact Assessment has not been prepared for this instrument.

11. Regulating small business

11.1. The legislation does not place any additional regulatory burden upon small business.

12. Monitoring & review

12.1. Section 215 of the Act requires the Mayor to review from time to time whether or not a MDC should continue in existence.

13. Contact

13.1. Chris Meader at the Department for Communities and Local Government can answer any queries regarding the instrument.

Tel: 0303 444 3797 or email: chris.meader@communities.gov.uk