

Boris Johnson
Mayor of London
Greater London Authority
City Hall
The Queen's Walk
London
SE1 2AA

29th January 2009

Dear Boris,

London 2012 SPV arrangements for a sustainable legacy

As part of the Commission for a Sustainable London 2012 work programme, we have been closely following the development of legacy arrangements as part of our annual review.

Our annual report will cover the issues in more depth but given the imminent development of the SPV I think it is relevant to summarise our thoughts on this matter immediately for your consideration.

The Commission is of the view that there are three key imperatives for developing a sustainable legacy on the Olympic Park and in the Lower Lea Valley.

Firstly, this was a bid book commitment which has been reinforced by Legacy Action Plans published by the Mayor and the Olympics Minister.

Secondly, the issues of environmental limits and social inequality will dominate public opinion and government policy long after the current economic crisis has run its course. The objective to build zero carbon homes by 2016, the impact of the Climate Change Bill and waste strategies will inevitably drive higher standards of environmental performance in the future. We firmly believe in the principle of “virtuous cycles” of sustainability. For example, greater energy efficiency leads to less fuel poverty, improved air quality leads to improved health.

We believe there is a third, commercial imperative. Given the drive to ever more sustainable developments, the private sector will be forced to look for sites with sufficient infrastructure to provide zero carbon energy, sustainable drainage, access to green space and excellent transport links. This creates a unique selling proposition for the Olympic Park which can be developed as we move into economic recovery. Over time we believe this premium will deliver greater prosperity to the Lower Lea Valley.

Whilst we have not seen detailed plans for the SPV, we have discussed these with the LDA senior team. We support the principle of the SPV to manage the Olympic Park and act as a strategic locus for the Lower Lea Valley. We believe this

represents an unprecedented opportunity to develop an exemplary sustainable community to rival the much-publicised developments overseas.

In order to ensure these ambitions are realised in the long term we have the following recommendations with respect to the structure and operation of the SPV:

- The principle of maintaining the Olympic Park as an exemplary sustainable development should be embedded in the key documents of the company such as the Memorandum and Articles, business plan etc.
- Recruitment of the Chair and Chief Executive should place a heavy emphasis on sustainability and the ability and willingness to pioneer new standards
- The non-executive board should have a position for a leader in the field of sustainability to champion the issues at board level
- The board should also have representation from the community
- The SPV should be subject to a similar level of independent assurance to that currently applied to the Olympic programme
- A senior sustainability position should be created within the SPV, supported by adequate resources
- Funding should be made available to ensure the sustainability of the park is maintained in the early stages of development
- The sustainability standards set out in the LMF Protocol should be converted to contractual obligations for developers, this should not be left solely to planning requirements
- The strategies of the Lower Lea Valley should be co-ordinated in such a way as to create “virtuous cycles” of sustainability. For example, the development of organic waste disposal facilities that are able to provide fuel to developments such as the Olympic Park, which are energy self-sufficient

We trust this helps to inform the debate about the SPV and we would be pleased to meet to expand on these points if required.

Yours sincerely



Shaun McCarthy
Chair
Commission for a Sustainable London 2012