

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3123

Demolition Contract for Rank Hovis Building, Royal Victoria Dock, London

Executive summary:

The Rank Hovis Building (RHB) is one of the remaining structures on Silvertown Quays, which is owned by GLA Land and Property Limited (GLAP), a company ultimately owned by the GLA. The site is subject to a Master Development Agreement with The Silvertown Partnership (TSP) but the site remains the responsibility of GLAP until TSP signs leases on a phased basis as it is developed.

On 23 June 2019, a fire broke out on the sixth floor of the RHB, causing substantial damage. Following the fire, after a survey and appropriate specialist advice, it was recommended to bring forward the demolition of the RHB to address safety risks. This was approved by MD3013 in July 2022.

The initial financing of the demolition project will be partly from of the proceeds of an insurance claim settlement, and partly from GLAP funds. TSP has agreed to provide a capped payment for these costs, which is payable later in the development programme. The initial costs are therefore borne by GLAP.

This MD is seeking additional funding to enable the completion of the demolition of the RHB for work unforeseen at the time of MD3013. This includes the removal of asbestos material and asbestos-contaminated demolition arisings off-site. In addition, further costs have arisen in relation to Natural England bat licence requirements, security and traffic management. Additional works to demolish the basement of the building are also now required.

Decision:

The Mayor approves an increase of total gross expenditure as set out in Part 2 of this decision; and the variation to the contract to enable completion of the demolition of the Rank Hovis Building at Silvertown Quays.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

4/5/23

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

Decision required – supporting report

1. Introduction and background

- 1.1 Silvertown Quays is a major GLAP regeneration and housing project in the Royal Docks. TSP has recently commenced works on the first phase of development in the south-western corner of the site. In parallel to this, TSP has also submitted a revised masterplan application to increase the level of housing to at least 6,000 homes, of which 50 per cent will be affordable. The site is largely cleared but there are three main heritage buildings on the site: the RHB; the iconic Millennium Mills structure; and the Listed Silo D building (the latter two will be retained and refurbished). The RHB is adjacent to the Millennium Mills building.
- 1.2 TSP has drawn down a lease under the MDA for the first phase of development (see redline plan in Appendix 1). GLAP remains responsible for the remainder of the site and the RHB. TSP drew down the first phase in October 2022. The fire that severely damaged the RHB occurred in 2019 (therefore prior to TSP taking their land interest in the first phase). In any event, the RHB sits outside of the first lease drawn down by TSP. It is therefore GLAP's responsibility.
- 1.3 Following the approval of MD3013 (attached in Appendix 2), TfL Estate Management (which manages GLAP's estate), and TfL Procurement and Supply Chain (which provides GLA with procurement services), selected Rhodar Industrial Services Limited to undertake the demolition of the RHB. The major challenge with the procurement of the demolition works was the structural weakness of the building following the fire. This prevented the usual extensive surveys or assessments that would normally have been undertaken prior to the procurement and assessment of costs. This limited access has meant some issues (relating to ecology and materials in the building) have impacted on the budget more than expected (further details of contingency and costs are set out in Part 2).
- 1.4 The demolition of the RHB has proceeded, and the works are now approximately 50 per cent complete. Various issues have arisen; and whilst contingencies were included within the original approval, the extent of these issues means the project will now exceed those contingencies. The key issues faced on site are as follows:
 - **Ecology:** the potential of bats nesting in the building led to requirements from Natural England around the demolition of the RHB. These extended beyond the mitigations put in place prior to commencement of the demolition. Natural England required both ongoing ecologist monitoring and thermal imaging during the demolition works themselves, which required additional equipment on site. Works also had to stop each time the temperature fell below five degrees Celsius for three consecutive nights. This temperature limitation has led to delays in the works.
 - **Asbestos:** significant asbestos contamination was identified that could not be determined prior to tender or commencement of the works, due to the structural instability and lack of safe access to the building. The type and extent of contamination mean that the demolition arisings – which were previously to be salvaged for use by the developer as part of the future development – must now be disposed of offsite as contaminated waste. In addition, due to the small quantity of salvageable arisings, the developer will no longer accept those materials and they must be disposed of.
 - **Security and traffic management:** Robust security has had to be put in place, due to persistent and increased attempts by intruders to breach the site. There is also a current requirement for site traffic to pass through the remainder of the site, which is in the developer's control. Specific requirements must be met to minimise the impact of this on the adjacent residential streets. These requirements, combined with those mentioned above, have led to an overall increase in the cost of the works that exceeds the previous contingency amount.

- 1.5 Additional works are required at the site that were not previously included within the scope for the demolition of the property's basement. This was agreed for inclusion within the scope as part of an additional agreement between GLA and the developer, after the initial demolition works had been tendered.

2. Objectives and expected outcomes

- 2.1 The fundamental objectives of the project remain unchanged from MD3013, in that the demolition of the RHB is GLAP's responsibility to ensure good estate management and safety on the site. The agreement to continue with demolition will enable GLAP to demolish a fire-damaged building safely and effectively.
- 2.2 The increased costs will also deal with the asbestos that has to be removed from the site to the designated landfill; and ensure the demolition is compliant with the Natural England licence requirements.

3. Equality comments

- 3.1 Under section 149 of the Equality Act 2010, as public authorities, the Mayor and the GLA are subject to a public sector equality duty and must have 'due regard' to the need to:
- eliminate unlawful discrimination, harassment and victimisation
 - advance equality of opportunity between people who share a relevant protected characteristic and those who do not
 - foster good relations between people who share a relevant protected characteristic and those who do not.
- 3.2 Protected characteristics under section 149 of the Equality Act are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status.
- 3.3 The GLA will strive to lead by example on creating inclusive workplace cultures and workforce diversity and challenging personal and unconscious bias.
- 3.4 The Crown Commercial Services Construction Framework was used to invite contractors to tender for this project. The framework requires all contractors to respond to the questionnaire on equal opportunity, diversity policy and capability. All contractors on the framework had to respond and demonstrate compliance with the Equality Act 2010 to be granted a place on the framework.
- 3.5 The RHB demolition will enable the continued redevelopment of the site by TSP in line with the MDA and the submitted masterplan application. The redevelopment will include construction of new homes that will contribute towards affordable housing in Newham. The increased affordable housing proposed on the site will help to eliminate unlawful discrimination; advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and foster good relations between people who share a relevant protected characteristic and those who do not.

4 Other considerations

Health and safety

- 4.1 Risk: Continuous health and safety risk to trespassers. Whilst the building remains in its current state, trespassers are exposed to a higher risk of injury due to the structural integrity of the building.

- 4.2 Mitigation: Continue with the proposed demolition of the RHB, which will remove the hazard and reduce the risk of injury to trespassers.
- 4.3 Risk: Asbestos contamination. The building is now known to be extensively contaminated with asbestos. This was identified in the second phase of the works and is now visible in the final phase, as the earlier phases of demolition have been undertaken. Once the building is demolished there is an obligation to remove the contaminated material to a licensed landfill as quickly as possible to avoid the risk of cross-contamination. This has been completed for Phase 2 and the same should apply to Phase 3, once demolished, to remove the risks associated with structural integrity.
- 4.4 Mitigation: Approve removal of asbestos contaminated demolition arisings off-site to remove the risk of cross-contamination and to ensure compliance with legislation and good practice.

Conflicts of interest

- 4.5 There are no conflicts of interest identified from anyone involved in the drafting or clearance of this Decision Form.

5 Financial comments

- 5.1 This decision requests approval to vary an existing contract with a specialist contractor and provide the necessary additional funding to demolish the RHB. Further financial comments are set out in Part 2.

6 Legal comments

- 6.1 Section 30 of the Greater London Authority Act 1999 (as amended) (GLA Act) gives the Mayor a general power to do anything that he considers will further one or more of the principal purposes of the GLA as set out in section 30(2). These purposes are:
- (i) promoting economic development and wealth creation in Greater London
 - (ii) promoting social development in Greater London
 - (iii) promoting the improvement of the environment in Greater London.
- 6.2 In formulating the proposals in respect of which a decision is sought, officers confirm they have complied with the GLA's related statutory duties to:
- pay due regard to the principle that there should be equality of opportunity for all people
 - consider how the proposals will promote the improvement of health of persons in Greater London; promote the reduction of health inequalities between persons living in Greater London; contribute towards the achievement of sustainable development in the United Kingdom; and contribute towards the mitigation of or adaptation to climate change in the United Kingdom
 - consult with appropriate bodies.
- 6.3 The GLA, in this case via GLAP, has the power to do anything that facilitates, or is conducive of or incidental to, furthering one or more of the principal purposes set out in (i) to (ii) at 6.1, above. In addition, it has the power to acquire and hold land for regeneration purposes by agreement and under section 333ZA(1) and (8) of the GLA Act. The contents of sections 1-3 of this Mayoral Decision indicate that the decision sought of the Mayor falls within the GLA's statutory powers.
- 6.4 Further legal comments are set out in Part 2 of this Decision.

7 Planned delivery approach and next steps

Activity	Timeline
MD approval obtained	May 2023
Revised contract signed	May 2023
Demolition project completion	August 2023

Appendices and supporting papers:

Appendix 1 – Location Plan.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will be published either within one working day after it has been approved or on the defer date.

Part 1 – Deferral

Is the publication of Part 1 of this approval to be deferred? NO

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under the FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – YES

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer

Kabir Choudhury has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Tim Steer has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Tom Copley has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 2 May 2023.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

Date

D. Gane

4 May 2023

CHIEF OF STAFF:

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

Signature

Date

D. Bellamy

4 May 2023