

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD3131

### One Public Estate London North-East Place Pilot

#### Executive summary:

One Public Estate (a partnership between the Office for Government Property and the Local Government Association) has approached the GLA to be the lead authority for the London North East Place Pilot, part of a national programme that aims to embed area-based approaches into public estate planning.

As the lead authority, the GLA will be responsible for receiving a £500,000 grant and managing it in partnership with the three pilot boroughs (Barking and Dagenham, Hackney, and Newham). The grant will be used to provide revenue funding for work that supports the more efficient use of public estate, improved public-service delivery, and the wider regeneration and placemaking ambitions of the pilot boroughs.

#### Decision:

That the Mayor approves:

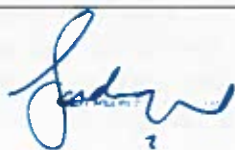
- retrospectively, entry into a Memorandum of Understanding (MoU) with the Office for Government Property and the Local Government Association to receive £500,000 of revenue grant funding and agree its terms and purpose
- entry into an MoU with the boroughs of Barking and Dagenham, Hackney, and Newham to agree the aims of the London North East Place Pilot
- expenditure by the GLA – including by way of revenue grant funding to the London boroughs of Barking and Dagenham, Hackney, and Newham – of, in aggregate, up to £500,000 received from the One Public Estate programme to support the London North East Place Pilot up to 30 September 2024
- delegated authority to the Assistant Director of Strategic Projects and Property, Housing and Land, to approve funding allocations without the need for a further decision form – following a recommendation for approval by the London North East Place Pilot steering group – within the budget envelope of £500,000 described above and in line with the objectives set out in this Mayoral Decision.

#### 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:

17/6/23

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

### **Decision required – supporting report**

#### **1. Introduction and background**

##### *The One Public Estate programme and Place Pilots*

- 1.1. One Public Estate (OPE) is a partnership between the Office for Government Property (OGP), which sits within the Cabinet Office; the Local Government Association (LGA); and the Department for Levelling Up, Housing and Communities. The aim of OPE is to bring public-sector bodies together to use public estate and assets more efficiently, thereby creating better places, public services and financial benefits for partners. This aim includes seeking opportunities to release surplus land for housing and other development. The programme provides practical and technical support and funding across the public sector to achieve the above-stated aim.
- 1.2. The OPE programme nationally has an ambition to generate over 37,000 jobs; release land for 32,000 homes; and raise over £1.2bn in capital receipts from sales by 2031. At present there are 14 strategic OPE partnerships in London, incorporating all parts of the public sector in London.
- 1.3. Place Pilots offer an opportunity to build on the strengths of the OPE programme, and to pilot a place-based approach to strategic estate management. Pilots are expected to lead to efficiencies across the public estate; unlock opportunities to release land held by central and local government; and deliver better public services. Pilots are provided with revenue funding to support the development and planning of their work.

##### *The London North East pilot*

- 1.4. The GLA, the OGP and the LGA have chosen the London boroughs of Barking and Dagenham, Hackney, and Newham as the London North East pilot boroughs, with the intention of bringing them together in a more coherent geographic partnership. Joint working to manage public estate in the three boroughs is currently limited. The London Borough of Newham is not part of an existing OPE partnership; and Barking and Dagenham, and Hackney, each operate in partnership with one other borough only (Havering and the City of London respectively). This is in contrast to the South London OPE partnership, where six London boroughs are working together to manage public estate at a sub-regional level.
- 1.5. The GLA therefore envisions that the pilot will strengthen existing relationships; encourage new areas of collaboration; and focus attention on the significant public estate in the sub-region, which includes large areas of GLA Group land holdings and joint venture interests (particularly focused on the Royal Docks and Barking Riverside). The pilot boroughs have also been chosen due to their significant planned housing growth and wider regeneration ambitions: the London Plan sets a target for the three boroughs to deliver around 6,500 homes per year – more than 10 per cent of the London-wide target – which will increase the pressure on public services and demand for land.
- 1.6. In March 2023, endorsement was sought from the Mayor's Office and the GLA's Executive Director of Resources to enter into a Memorandum of Understanding (MoU) with the OGP and the LGA to receive grant funding of £500,000 for the OPE London North East Place Pilot programme. This was needed urgently to meet a deadline for receiving the funding set by the OPE programme. This Mayoral Decision (MD) is therefore a retrospective request for approval to receive the £500,000 grant; and to enter into the MoU, with the OGP and the LGA, which sets out the objectives of the London North East Place Pilot, the responsibilities of each party and the terms of the funding.
- 1.7. The MoU between the OGP, the LGA and the GLA requires the GLA to set out an Implementation Plan, which identifies a series of projects that can be delivered in the short term. The GLA has

therefore developed a draft London North East Place Pilot Action Plan which identifies three indicative types of work that the Pilot may fund (subject to endorsement by a steering group):

- data analysis and mapping of public estate
- masterplanning and feasibility studies
- seed funding of specific projects.

- 1.8. Specific projects within these broad areas will be identified in collaboration with the host boroughs and other key stakeholders. These will be identified in the Action Plan and endorsed by a steering group, with corresponding milestones, budgets and outputs. Projects are likely to include a mix of those delivered by the boroughs (where funding is administered by the GLA to the pilot borough) and those involving cross-borough work, which the GLA will commission directly using the available funding.
- 1.9. The MoU allows for spend on coordination of the overall programme. Therefore, the GLA will: procure a programme manager to manage the day-to-day delivery of the programme (and the projects within it); manage the relationships with the boroughs and other public sector land-owners; and monitor and report on progress to the steering group. The GLA will carry out a competitive procurement procedure to select an experienced programme manager, who will report to the GLA.
- 1.10. A steering group will be convened to govern the work of the Place Pilot, consisting of senior representatives from the GLA and the three London boroughs; and key public-sector landowners in the area. The group will be chaired by the GLA's Assistant Director of Strategic Projects and Property, Housing and Land.
- 1.11. The steering group will make recommendations on the overall strategic direction of the pilot and endorse the strands of work to be undertaken through the Pilot, which will be recorded in the Action Plan. The group will be empowered to endorse specific projects to be funded; the GLA will then assess these, and seek approval for expenditure through the delegated authority sought by this MD. Where grant funding is awarded directly to a pilot borough, this should be done through a legally binding grant letter, which sets out the specific terms of the grant. The Group will also oversee the projects to be funded and ensure that they are progressed, and ultimately, that the agreed outcomes are delivered.
- 1.12. An evaluation will also be undertaken at the end of the programme to measure the benefits of the programme in relation to the objectives set out in the Action Plan. The evaluation will consider how pilot projects may be expanded in the future.
- 1.13. Prior to the initiation of the Pilot, the GLA will enter into an MoU with each pilot borough to agree the responsibilities of each party and the principles of joint working.

## **2. Objectives and expected outcomes**

- 2.1. The following objectives of the Place Pilots have been developed by the OPE programme at a national level, and will apply to the London North East pilot:
  - to bring together multiple public estate owners under joint GLA and central government leadership to encourage joint portfolio planning and collaborative service delivery models in the context of local needs and ambitions
  - to optimise investment by driving efficiency and value across the public estate, and deliver better public services
  - to embed a stronger focus on place into strategic estates and asset management, supporting wider regeneration ambitions

- to test new approaches to managing public estate and develop recommendations that can be replicated and scaled up.

#### *Expected outcomes*

- 2.2. Working in collaboration with pilot boroughs and OPE partners, the GLA will develop an Action Plan to identify projects that support the objectives above; set out expected outcomes; and plan/prioritise the revenue funding accordingly. A draft Action Plan has been developed that has identified the following indicative outputs:
  - digital assets (data and mapping) and a report assessing the opportunities available on public-sector land that support the stated objectives of the Pilot and its stakeholders
  - feasibility studies or masterplans that investigate the opportunities identified in the data analysis and mapping work along thematic lines (e.g. co-location of services, disposals, land assembly) and seek to establish deliverable workstreams that can either be seed-funded through the Pilot or reallocated to existing or emerging delivery programmes (e.g. the Royal Docks programme, the NHS North Central London Integrated Care Board estate programmes, other OPE programmes in the area, or London Legacy Development Corporation programmes)
  - the development and seed funding of specific interventions arising from the feasibility studies or masterplans to a level of detail where a decision can be made on whether further funding or scaling up is viable and merited.
- 2.3. The draft Action Plan and the expected outcomes within it will be further developed in consultation with the pilot boroughs, and then ratified via the programme's steering group. As the lead authority for the Pilot, the GLA will ensure that outcomes contribute to meeting the Mayoral policies outlined in section 4, with a particular focus on the release of surplus land for affordable housing delivery.

### **3. Equality comments**

- 3.1. Under section 149 of the Equality Act 2010, 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 and any other conduct that is prohibited by or under the Equality Act 2010
  - 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. The duty involves having appropriate regard to these matters as they apply in the circumstances, including having regard to the need to: remove or minimise any disadvantage suffered by those who share or are connected to a protected characteristic; take steps to meet the different needs of such people; and encourage them to participate in public life or in any other activity where their participation is disproportionately low.
- 3.3. Demographic profiles of the three pilot boroughs identifies the following characteristics of the resident population:
  - All three boroughs have relatively young populations, with all three having higher-than-average proportions of residents aged 18 and under (32.8 per cent in Barking and Dagenham, 24.8 per

cent in Hackney and 27.5 per cent in Newham – compared to the London average of 24.7 per cent). This is more pronounced in the boroughs of Newham, and Barking and Dagenham, which have particularly high proportions of young children and babies (aged four and under).

- According to the 2021 Census (the Office for National Statistics (ONS)), residents of the three boroughs identified themselves as being 'disabled and limited a lot' (an age-standardised measure) at a higher rate than other London boroughs; 9 per cent of the population in Barking and Dagenham identified as such, while this figure was 9.1 per cent in Newham.
- The unemployment rates (ONS, Q4 2022) of Hackney, Newham, and Barking and Dagenham are 6.1, 5.9 and 4.9 per cent respectively, which is above the London average of 4.4 per cent. According to data from the Centre for Research in Social Policy (2021–22), Newham and Hackney have worse poverty rates than the London average; and all three London boroughs have higher-than-average child poverty rates (ranging from 48 to 50 per cent of children in each borough, after accounting for housing costs).
- Compared to the London average of 43.1 per cent (ONS, Census 2021), the three pilot boroughs have higher proportions of residents from Black, Asian and minority ethnic backgrounds than the London average. In particular, Newham was the most diverse borough in London with 69.2 per cent of residents identifying as Black, Asian or minority ethnic, compared to 46.2 per cent for the city as a whole.
- The 2021 Census indicates that Newham has the highest level of household overcrowding in London, with 25.3 per cent of all households classed as overcrowded. Barking and Dagenham (20.4 per cent) and Hackney (19.5 per cent) also feature in the top eight most overcrowded boroughs in London (in terms of the proportion of households that are overcrowded). In terms of housing affordability (expressed as the percentage of local gross median pay spent on local rent for a one-bedroom dwelling), both Hackney (51.2 per cent) and Newham (45.9 per cent) are less affordable than London as a whole (44.2 per cent). Housing affordability is better in Barking and Dagenham, where the median local rent accounted for 37.1 per cent of median gross pay.
- Newham also has the highest proportion of households living in temporary accommodation in London (49 temporary accommodations per 1,000 households, almost double the rate of the next closest borough). Hackney (24 temporary accommodations per 1,000 households) and Barking and Dagenham (17) also have rates higher than the London average of 16 temporary accommodations per 1,000 households.

3.4. A principal objective of the wider OPE programme is to support the management of public estate in ways that improve its efficiency and ultimately deliver better public services to local communities. The expected outcome of the Place Pilot is the development of a pipeline of feasible projects that can contribute to this aim and – once implemented – benefit the diverse communities of the three boroughs, and minimise some of the disadvantages suffered by some of the groups identified above. However, given that the pilot is likely to only establish the feasibility and viability of such longer-term projects – rather than delivering these in the pilot's lifetime – the specific impacts on, and expected outcomes for, the resident communities of the three boroughs are uncertain.

3.5. Where pilot projects implemented in the longer term contribute to the release of surplus public-sector land for housing delivery, this will also improve access to housing and housing affordability, as well as providing housing for those in greatest need (through the delivery of affordable housing). This will therefore help to minimise some of the housing-related disadvantages experienced by residents of the three boroughs, as described above.



#### 4. Other considerations

##### *Key risks and issues*

	Risk	Likelihood	Impact	Mitigation
1	Unable to spend the funding by the agreed deadline of 30 September 2024.	Low	High	<ul style="list-style-type: none"> <li>Action Plan to identify outputs and spend profile at the initiation of the programme.</li> <li>Steering group to oversee delivery against the actions and milestones set out in the Action Plan.</li> <li>Deliverability/complexity of projects will be considered when prioritising project spend.</li> </ul>
2	Lack of buy-in from boroughs and other key stakeholders (landowners), leading to pilot projects not having the desired impact.	Low	Medium	<ul style="list-style-type: none"> <li>Key stakeholders will be identified, and senior representatives from these organisations invited to form the steering group.</li> <li>Early engagement has taken place with boroughs, and further work will follow to ensure borough buy-in.</li> </ul>
3	Lack of programme management support for the programme, impacting on delivery.	Low	High	<ul style="list-style-type: none"> <li>Allocation of project budget to dedicated programme manager.</li> <li>Robust procurement process to select experienced programme manager.</li> <li>Establishment of programme steering group and associated governance processes to ensure oversight of programme and achievement of key project milestones.</li> </ul>

##### *Links to Mayoral strategies and priorities*

#### 4.1. The London North East Place Pilots will support the delivery of the following Mayoral strategies and priorities:

- The London Plan: the Place Pilot will help to deliver objective GG2 of the London Plan by bringing together public-sector authorities to make more efficient use of their land. Several other London Plan policies are likely to be supported by the Pilot to differing extents depending on the nature of Pilot projects. These policies include, but are not limited to:
  - Policy H1 – increasing housing supply
  - Policy H4 – delivering affordable housing
  - Policy S1 – developing London’s social infrastructure (including policies S2 and S3 on health and education facilities).
- The London Housing Strategy (Policy 3.1 C and D): working with councils and other public-sector landowners to support delivery of housing. Place Pilot projects will help to identify public estate needs and potential efficiencies that may result in the release of public-sector land for housing delivery.
- The London Health Inequalities Strategy (LHIS): by making better use of public estate, and supporting projects that ensure the health estate is fit for purpose and serves Londoners’ health needs, the Place Pilot will support the delivery of the LHIS.

- The London Environment Strategy (LES): the Pilot aims to improve the usage efficiency of public estate; pilot projects may therefore lead to a reduction in the carbon (and other environmental) footprint of the public estate and public service delivery more generally. Projects may include those that improve the efficiency of public buildings and support the LES's ambition for the public sector/GLA Group to lead by example regarding their own estate.

#### *Consultations and impact assessments*

- 4.2. GLA officers have carried out early engagement with boroughs and will conduct further consultation and joint working (with other key public landowners as well as the boroughs) during the programme. It is not considered necessary or appropriate to consult with any other persons or bodies, including those specified in section 32 (1) of the Greater London Authority Act 1999 (GLA Act), for the purposes of this MD.

#### *Conflicts of interest*

- 4.3. There are no conflicts of interest to note from any of those involved in the drafting or clearance of this MD.

#### *Data protection*

- 4.4. As part of the MoU between the GLA, the OGP and the LGA, the GLA has agreed joint controllership of data collected through the pilot. The agreement sets out the purposes for which any shared personal data will be used, and each party's responsibility to comply with relevant data protection legislation.

### **5. Financial comments**

- 5.1. Mayoral approval has been sought for the GLA to enter into an MoU with the OGP and the LGA to receive £500,000 of revenue grant funding, and agree its terms and purpose. This grant has been received by the GLA and therefore this MD request is for retrospective approval for its receipt.
- 5.2. Approval is also requested for the expenditure of the £500,000 revenue grant received from the OPE programme, to support the London North East Place Pilot in the boroughs of Barking and Dagenham, Hackney, and Newham up to 30 September 2024. The details of individual projects, the funding allocated to each project, and the overall distribution of the funding between boroughs will be considered in collaboration with the steering group and ultimately approved by the Assistant Director of Strategic Projects and Property, Housing and Land (through the delegated authority sought by this MD request). Once individual projects are known, the corresponding spend will be profiled up until the programme end date of 30 September 2024.
- 5.3. The terms of the funding set out in the MoU between the GLA, the OGP and the LGA state that grant of £500,000 received by the GLA is limited to revenue expenditure. Capital expenditure projects will therefore not be supported by the pilot. The funding period for the grant runs from 1 April 2023 to 30 September 2024, so spend should be incurred within financial years 2023-24 and 2024-25.
- 5.4. This grant funding and the related expenditure will be held and managed by the Public Land team part of Strategic Property and Projects Unit within the Housing and Land Directorate.

### **6. Legal comments**

- 6.1. Section 30 of the GLA Act 1999 (as amended) gives the Mayor a general power to do anything that he considers will further one or more of the GLA's principal purposes. The principal purposes, as set out in section 30(2), are: promoting economic development and wealth creation in Greater London; promoting social development in Greater London; and promoting the improvement of the environment in Greater London.

- 6.2. Given the above, and section 34 of the GLA Act, which allows the Mayor to do anything that is calculated to facilitate, or is conducive or incidental to, the exercise of any of his functions (including his functions under section 30), the GLA is empowered to receive funding from the government and use it for the purposes set out in this report.
- 6.3. In determining whether or how to exercise the power conferred by section 30(1) of the GLA Act, the Mayor must:
- have regard to the effect that these decisions will have on the health of persons in Greater London, health inequalities between persons living in Greater London, the achievement of sustainable development in the United Kingdom and climate change and its consequences (sections 30(3-5) of the GLA Act)
  - pay due regard to the principle that there should be equality of opportunity for all people (section 33 of the GLA Act).
- 6.4. In taking the decisions requested of him, the Mayor must also have due regard to the Public Sector Equality Duty – namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010; and to advance equality of opportunity, and foster good relations, between persons who share a relevant protected characteristic and persons who do not (section 149 of the Equality Act 2010). These matters will also need to be taken into account when assessing specific proposals for the £500,000 revenue funding.
- 6.5. In respect of paragraphs 6.3 and 6.4, the Mayor should have particular regard to section 3 (above) of this report.
- 6.6. In addition to the above, where the Mayor is proposing to use the power conferred in section 30(1) of the GLA Act, the Mayor must consider consulting in accordance with section 32 of the GLA Act (see paragraph 4.2 above).
- 6.7. The award of GLA funding under this programme is not a payment for services and is not therefore subject to the requirements of the Public Contracts Regulations 2015. This notwithstanding, the GLA is still subject to the overarching duties of fairness and transparency. Officers must ensure that the funding is distributed fairly, transparently, in accordance with the GLA's equalities duties and in a manner that affords value for money in accordance with the GLA's Contracts and Funding Code.
- 6.8. Section 38 of the GLA Act provides that any function exercisable on behalf of the Authority by the Mayor shall also be exercisable by, amongst others, any member of staff of the Authority, if or to the extent that the Mayor authorises this, and subject to any conditions imposed by the Mayor. The Mayor may make the requested delegation to the Assistant Director of Strategic Projects and Property, Housing and Land, if he so chooses.
- 6.9. The GLA has entered into an MoU with the OGP and the LGA to receive £500,000 of revenue grant awarded through section 31 of the Local Government Act 2003. This MoU sets out the purpose of the funding, and the responsibilities of the GLA as the accountable authority for the Pilot in terms of project delivery, governance, monitoring/reporting and other requirements. The MoU is not legally binding but does set the expectations of the parties to help ensure the programme is effectively delivered.
- 6.10. The GLA is intending to enter into similar MoUs with the pilot boroughs to define their roles and responsibilities. Any revenue funding awarded directly to the boroughs should be done through legally binding grant letters, with the specific terms included therein.



## 7. Planned delivery approach and next steps

7.1. The table below shows an indicative timeline for project activities:

Activity	Timeline
Procurement of programme manager	June 2023
First steering group meeting and agreement of Action Plan	July 2023
Data and mapping work strand commenced	July 2023
Final project spend incurred	September 2024
Project evaluation	September – October 2024

### Appendices and supporting papers:

None.

**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 – NO**

**ORIGINATING OFFICER DECLARATION:**

Drafting officer  
to confirm the  
following (✓)

**Drafting officer:**

Rohan Ranaweera 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 19 June 2023.

**INTERIM CHIEF FINANCE OFFICER:**

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

**Signature**



**Date**

19 June 2023

**CHIEF OF STAFF:**

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

**Signature:**



**Date:**

19 June 2023