

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2672

Title: GLAP meanwhile use soft-market testing

Executive Summary:

Approval for expenditure of £40,000 is requested to procure commercial advisors to undertake the soft-market testing of meanwhile uses at two future GLAP development sites, Blackhorse Yard, and Royal Albert Dock. This funding has been endorsed by the GLAP Steering Group and will help assess potential revenue-generative, social, and strategic opportunities on these sites, and more broadly provide valuable insight into the meanwhile market, its suppliers, consumers, and growth sectors.

Decision:

That the Assistant Director of Strategic Projects and Property approves:

1. revenue expenditure of £40,000 to soft-market test meanwhile uses at Blackhorse Yard and Royal Albert Dock development sites
2. the procurement of commercial advisors via a closed procurement process.

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT

I have reviewed the request and am satisfied it is correct and consistent with the mayor's plans and priorities.

It has my approval.

Name: Simon Powell

Position: Assistant Director, Strategic Projects and Property

Signature:



Date:

3 October 2023

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

1. Introduction and background

- 1.1. Meanwhile use is the temporary use of a future development site (or part of) in the period before it is developed. This temporary use is usually over the short to medium term but may last up to 20 years. Meanwhile sites must obtain full planning permission for any usage longer than 28 days, unless Permitted Development conditions for temporary use apply.
- 1.2. The GLA report titled Meanwhile Use for London from 2020, collaboration with development managers and site visits across the capital has brought into focus the potential value that GLA could unlock using GLAP's land assets. It has also given us an understanding of the principles and wider benefits of implementation.
- 1.3. GLAP and its public sector partners have significant landholdings earmarked for development over the next 20-30 years. In the intervening period, this land offers opportunities to provide temporary accommodation, generate economic growth, provide cultural events, leisure uses, and support communities and businesses across the capital. This could potentially support thousands of people, promote sustainability, and contribute to London's diversity and resilience. It is GLA's ambition to proactively explore how to best use this land and deliver tangible and positive outputs for GLA and GLAP by developing a meanwhile use strategy.
- 1.4. After an initial period of data gathering and site prioritisation, the next step is to develop a broad understanding of the meanwhile use market in London and begin to explore what deliverable opportunities might exist on GLAP's highest priority sites. As a result, £40k revenue spend is requested to undertake soft-market testing at Blackhorse Yard and Royal Albert Dock. These sites have been chosen due to their site conditions and topography, their high estate management costs, and the timeline for their final development.
- 1.5. An allocation of this funding was endorsed by the GLAP Steering Group, to be funded from GLAP reserves on 9 August 2023.
- 1.6. Finally, it is recommended through engagement with TfL Procurement that a closed procurement route is the most appropriate approach. A closed procurement is where specific parties are invited to bid on an opportunity, rather than it being open to anyone. This is to secure the joint objectives of a quick and diverse process. A quick procurement is usually secured by a call-off from a framework, however, this typically excludes SME providers, and therefore limits diversity. Alternatively, a fully open process, provides wide opportunity but often leads to an elongated programme once clarification and evaluation processes are considered. The requirement for a short timeframe is to align the contract award with a feasibility study at Blackhorse Yard which includes meanwhile design optioneering. This will allow for direct collaboration between the commercial advisors and architects.

2. Objectives and expected outcomes

- 2.1. The main objectives of the soft-market testing are:
 - to gain an understanding of the meanwhile use market in terms of its occupiers, consumers, use types, quantum, and viability, particularly at the Royal Albert Dock and Blackhorse Yard localities (stage 1)
 - to assess two meanwhile use design options on identified sites at Blackhorse Yard in collaboration with separately procured architects (stage 2a)
 - to develop a broad delivery plan for meanwhile use at Royal Albert Dock; including recommendations for uses/quantum, site prioritisation and a programme for meanwhile use that dovetails with the site's long-term development plans (stage 2b)

3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010 (the “Equality Act”), as a public authority, the GLA must have ‘due regard’ to the need to eliminate unlawful discrimination, harassment, and victimisation, and to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not. Protected characteristics under the Equality Act comprise age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation and marriage or civil partnership status.
- 3.2. Where protected characteristics may be directly affected by this commission is through its procurement. Procuring via a closed route rather than traditional TfL frameworks, allows for SME suppliers to bid that would otherwise be excluded. SMEs rarely apply for frameworks due to their cumbersome application costs and so often miss out on opportunities. This approach will increase the diversity of the pool of consultants that GLAP will choose from.
- 3.3. Bidders will be required to demonstrate through their project methodology how equality, diversity, and inclusion (“EDI”) objectives will be considered. This will be marked as part of the evaluation process. They will also be required to align and embed the recommendations of the Good Growth by Design: Supporting Diversity Handbook and the Process Note: Procuring Social Value and EDI.
- 3.4. Whilst there are limited direct impacts on protected characteristics through this decision in isolation, the longer-term impact of developing meanwhile uses on GLAP’s sites should be considered. On this basis, EDI opportunities at every development stage of a meanwhile project have been outlined in the table below.

Project stage	EDI opportunities
Inception	<ul style="list-style-type: none">- Engagement with the local community about the types of meanwhile uses, and business sectors that would benefit them.- Invite local community groups to put forward ideas for meanwhile sites
Viability and financial impact	<ul style="list-style-type: none">- Consider commercial facing propositions cross-subsidising charitable/community-based ventures/start-ups in site assessments
Design & Planning	<ul style="list-style-type: none">- Consider EDI in design development
Procurement	<ul style="list-style-type: none">- Incorporate EDI section into scoring metrics when selecting a commercial partner.
Contracting / Operating Period	<ul style="list-style-type: none">- Include employment & skills targets in commercial leases.- Providing space for local SMEs and communities- Improving the local environment and connectivity, attracting people in the area providing benefits to communities and businesses beyond the meanwhile use users.
Final development	<ul style="list-style-type: none">- Design in space for meanwhile businesses in the final development, leading to their retention.

- 3.5. A further broad consideration is of inequalities prevalent near the chosen sites. At Royal Albert Dock, the London Borough of Newham is an integral partner in realising meanwhile opportunity. The borough is committed to addressing inequality and creating economic, social, and environmental value. Newham’s community wealth-building agenda will be a key focus of the meanwhile use delivery plan here – addressing economic and social disparities in local communities; tackling the global climate emergency; and putting local communities at the centre of shaping a local economy where growth and investment benefit all residents.

- 3.6. Blackhorse Yard resides within Waltham Forest, a borough that has a higher unemployment rate (5.5 per cent) than the rest of London (4.7 per cent) and the UK (3.9 per cent)¹. Introducing meanwhile use that targets local businesses, SMEs and community groups will help improve local employment across the borough.

4. Other considerations

Mayoral priorities

- 4.1. Meanwhile use provides a broad range of opportunities to meet mayoral priorities. These are captured in the table below, which splits meanwhile use types into four broad categories.

Meanwhile Category	Supported mayoral priorities
Temporary accommodation A primary consideration should be whether any of our landholdings are suitable for temporary accommodation to help ease homelessness pressures on local authorities. Tenants may be eligible to move into new homes once a development completes.	Tackling homelessness
Commercially-driven Some of our development sites are strategically located and may offer lucrative commercial opportunities whilst awaiting development. These sites may be attractive propositions for industries such as food & beverage, filming, events, logistics and parking. Profits from these sites could be re-invested or cross-subsidise other meanwhile use types, should a portfolio management approach be adopted.	London's economy Arts and culture Encouraging diverse communities
Strategic The flexibility of meanwhile uses creates opportunities to support nearby and future developments. For example, an SME business may be drawn to a future commercial site by some temporary space, set down roots, evolve, and end up taking space in the final development. Or, temporary space on one site might offer decant space for another, and in turn retain local businesses that would otherwise have been forced to relocate. Community and green spaces also play a role, enticing investment and businesses to an area by enhancing the well-being offer for employees, and activating the space. This activation also dissuades nefarious activity and might offer cost savings on security.	London's economy Arts and culture Safety and security Encouraging diverse communities
Social and environmental Meanwhile uses are an essential part of shaping future communities, or in some cases even establishing them. Creating a community hub, or turning disused land into public spaces and allotments, brings a wide range of social benefits, whilst also promoting sustainability and supporting EDI goals. Green sites may even offer opportunities to offset the environmental impact of neighbouring developments, or directly help with flooding and drought issues over the short to medium term.	London's economy Arts and culture Safety and security Tackling air pollution Encouraging diverse communities

- 4.2. Importantly, this workstream underpins the key mayoral priority set out in the Economic Development Strategy and through the London Plan the “Mayor will help start-ups and small businesses to grow by promoting access to affordable workspace, finance and business support”.

Risks

- 4.3. There are several risks associated with this commission. These are outlined in the table below with suggested mitigations:

Risk	Risk score (high-low)	Mitigation	Residual risk score (high-low)
<u>Limited market engagement</u> Consultants fail to engage with the opportunity due to the wider economic market, or limited	High	The parties invited to the closed procurement have been carefully selected for their ability to handle economic pressures and their knowledge of the subject matter. They will also	Medium

¹ Office for National Statistics (ONS) – 2019 Labour Market Profile – Waltham Forest. Available at: <https://www.nomisweb.co.uk/reports/lmp/la/1946157278/report.aspx#tabeinact>

knowledge within the meanwhile sector.		be engaged prior to the opportunity being published.	
<u>Inadequate budget</u> The budget is too low for the requirements.	Medium	The budget has been estimated based upon previous studies of a similar nature and will be peer reviewed prior to publication.	Low
<u>The project overruns</u> The opportunity to explore meanwhile use is lost due to tight timescales	High	The process is being managed by several experienced development managers who have run similar projects before. These managers are also leading the long-term development for the sites in question and therefore have the background knowledge to ensure that timescales align	Low

4.4. There are no known conflicts of interest to note for anyone involved in the drafting or clearance of this decision form.

5. Financial comments

5.1. The decision is seeking approval for spend of £40k on soft-market test meanwhile uses at Blackhorse Yard and Royal Albert Dock development sites. Whilst not budgeted, the required spend come be from the Admin expenditure budget of the 2023-24 financial year. There is no associated risk to this spend.

6. Planned delivery approach and next steps

6.1. The contract will be directly managed by Senior Development Managers from the Strategic Project and Property and Royal Docks teams within the Housing & Land Directorate.

6.2. Progress will be monitored against a range of KPIs incorporated through the procurement process.

Activity	Estimated dates
Procurement of contract	Sept-Oct 2023
Stage 1 commencement	23 Oct 2023
Stage 2a commencement	23 Oct 2023
Stage 2b commencement	Nov 2023
Draft report for Stage 1	Nov 2023
Stage 2a draft feasibility report	Nov 2023
Final report for Stage 1	Dec 2023
Stage 2a final feasibility report	Dec 2023
Stage 2b draft delivery plan	Jan 2024
Stage 2b final delivery plan	Feb 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 either be published 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 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:

Guy Hefferin has drafted this report in accordance with GLA procedures and confirms the following:

✓

Corporate Investment Board

A summary of this decision was reviewed by the Corporate Investment Board on 25 September 2023.

✓

ASSISTANT DIRECTOR FINANCIAL SERVICES:

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

Signature:**Date:**

3 October 2023