

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD1446

Title: London Consumer Expenditure and Comparison Goods Retail Floorspace Needs Study

Executive Summary:

Agreement to procure and commission a consultancy study to assess the scale and nature of consumer expenditure in London for comparison goods, convenience goods, and other expenditure including leisure to the year 2041. It will focus on strategic requirements for comparison goods retail floor space need in London, fulfilling a requirement of the Government's National Planning Policy Framework. The study will inform the forthcoming review of the London Plan and Opportunity Area Planning Frameworks. It will complement research into other town centre uses such as offices, hotel demand and town centre health checks.

Decision:

The Executive Director approves expenditure of up to a total of £80,000 to procure specialist technical services by competitive tender to undertake the London Consumer Expenditure and Comparison Goods Retail Floorspace Need Study.

AUTHORISING DIRECTOR

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: Fiona Fletcher-Smith

Position: Director – Development,
Environment & Enterprise

Signature:



Date:

10.2.2016

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 The importance of informing the preparation of development plans with robust assessments of need for retail and leisure uses and the capacity of town centres to accommodate development is set out in the Government's National Planning Policy Framework (NPPF). The framework sets out policy guidance to ensure the viability and vitality of town centres and recognises that planning policies should be positive, promote competitive town centre environments and manage the growth of centres to ensure that the need for retail and other town centre floor space is met in full (NPPF paragraph 23).
- 1.2 The 2015 London Plan underlines the Mayor's support for a partnership approach to assessing need and bringing forward capacity for retail, commercial, culture and leisure development in town centres (Policies 2.15, 4.7-4.8). Based upon research undertaken for the GLA in 2013, the London Plan indicates that London's long term household expenditure is projected to rise from £124 billion in 2011 to over £234 billion by 2036. Taking into account growth in commuter and tourist spending, retailers making more efficient use of space and special forms of trading such as the internet, it is estimated that London has an additional baseline need of 0.9-2.2 million sq m of comparison good retail by 2036 or 0.4-1.6 million sqm after accounting for schemes in the pipeline.
- 1.3 The London Consumer Expenditure and Comparison Goods Retail Floor space Need Study will update and roll forward these estimates to 2041 to inform the forthcoming review of the London Plan and Opportunity Area Planning Frameworks. The study will be a broad, strategic assessment of the floor space need associated with town centres in London, providing the context and coordination framework for more local and precise retail and leisure needs studies to be undertaken in line with the NPPF and London Plan for individual boroughs and development proposals.
- 1.4 This is a new study, unrelated to any other current approvals, seeking a budget up to £80,000. The 2013 equivalent study cost £69,000 (approved under MD1057). The figure of £80,000 allows for some additional work to be undertaken, that was not in the contract specification last time and a small element of inflation.

2. Objectives and expected outcomes

- 2.1 It is envisaged the consultants will produce a comprehensive study examining trends and providing projections for London's consumer expenditure and comparison goods retail floorspace needs. The outcome will be a robust study that can be used to formulate retail policies in the forthcoming review of the London Plan and ensure that the Mayor's approach is defensible at an examination in public.

3. Equality comments

- 3.1 Town centres are accessible to all, but are especially important to those more dependent on public transport, such as older people, ethnic minorities and disabled people. Ensuring that the network of town centres is responsive to people's changing needs should help the town centres continue to be a focus for people's retailing needs and ensure they continue to cater for society's more disadvantaged members.

4. Other considerations

a) *key risks and issues*

4.1 The contract will be managed in line with standard GLA risk management procedures. If the work is not commissioned it is possible that the forthcoming review of the London Plan will fail to comply with the requirements of the Government's National Planning Policy Framework. In addition, boroughs may not allocate sufficient sites for retail needs leading to a decline in town centres and growth in unsustainable out of centre developments.

b) *links to Mayoral strategies and priorities*

4.2 This study is to provide evidence and direction for a specific land use, which will inform the implementation and review of the London Plan. It will support London boroughs in the preparation of Local Plans and partnership working by the GLA, boroughs and others in developing Opportunity Area Planning Frameworks.

c) *impact assessments and consultations*

4.3 Impact assessments are carried out as part of the preparation of reviews and alterations to the London Plan. A separate impact assessment is not required for this research study. Consultation on the project specification has taken place within the GLA and with Transport for London (TfL).

5. Financial comments

5.1 The cost of this work will be up to £80,000 and will be met from the 2015-16 London Plan Programme Budget. Half the payment for this study will be made in 2015-16 therefore it is likely that there will be a need to request a carry forward £40,000 of the London Plan budget. However it should be noted that the carry forward request will be subject to year-end process and not guaranteed to be carried into 2016-17. If the carry forward is not approved, the Planning team will need to contain the cost from within 2016-17 Planning budget.

6. Legal comments

General

6.1 The sections above indicate that the decision requested fall within the Mayor's statutory power under section 30 of the Greater London Authority Act 1999 (as amended) ("the Act"), acting on behalf of the Authority, to do anything he considers will promote the improvement of the environment and economic development and wealth creation in Greater London and in formulating the proposals in respect of which a decision is sought officers have complied with the Authority's related statutory duties to:

- (a) pay due regard to the principle that there should be equality of opportunity for all people;
- (b) consider how the proposals will affect:
 - i. the health of persons in greater London,
 - ii. the health inequalities between persons living in Greater London;
 - iii. the achievement of sustainable development in the United Kingdom; and
 - iv. climate change, and the consequences of climate change; and
- (c) consult with appropriate bodies.

- 6.2 The Mayor also has a subsidiary power pursuant to Section 34 of the Act to do anything which is calculated to facilitate, or is conducive or incidental to the exercise of any of the statutory functions of the Authority. In this case this piece of work is incidental to its section 30 powers defined above as well as its powers under section 334 and 339 of the Act.
- 6.3 Section 334 of the Act requires the Mayor to prepare and publish a spatial development strategy (known as the London Plan). Section 339 of the Act requires the Mayor to keep the London Plan under review, especially matters which may be expected to affect the development of Greater London or the planning of its development. In this case, the decision to procure specialist technical services to undertake this work to inform a review of the London Plan may be reasonably regarded as facilitating, being conducive or incidental to, the exercise of the Mayor's powers detailed above.
- 6.4 For the purposes of this decision, the Mayoral powers cited above have been delegated to the appropriate Director.

Procurement

- 6.5 Officers must ensure that appropriate documentation is put in place and executed by the consultant and the GLA formalising the services before their commencement.

7. Planned delivery approach and next steps

Activity	Timeline
Procurement of contract	March 2016
Delivery Start Date	March 2016
Final evaluation	January 2017
Delivery End Date [for project proposals]	January 2017
Project Closure:	January 2017

Appendices and supporting papers:

Annex 1 – Consultant's brief

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) 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 approval or on the defer date.

Part 1 Deferral:**Is the publication of Part 1 of this approval to be deferred? YES**

If YES, for what reason:

Report contains information on the financial ceiling for the project. Releasing this information before the contract is awarded could mean that the GLA does not achieve value for money.

Until what date: 31st March 2016

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be 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:

Peter Heath has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service:

Stewart Murray has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. J. Ollie

Date

9.2.16

