

REQUEST FOR MAYORAL DECISION – MD1161

Title: Acquisition of the Pharmaceutical Site and Investment to Create a Business East Science and Tech Park – Procurement of Specialist Advice

Executive Summary:

A proposal from the Growing Places Fund requested that the GLA acquire of part of a pharmaceutical site in the east of London (the current owners exiting at the end of 2013). The proposal is based on a regenerated site as a specialised science and tech park, focusing on medical, scientific and tech activities. The principle would be to utilise existing buildings and to encourage the development of a community of occupiers able to complement, inter-trade and support each other. The site operation would be carried out by an experienced organisation. This proposal seeks a Mayoral Decision to appoint a specialist advisor to assist the GLA in developing a strategy for the site, procuring a partner/operator and assisting the GLA with interest from potential occupiers.

Decision:

That the Mayor approves the procurement, award and entry into and execution of (by the Executive Director of Resources on behalf of the GLA) contract(s) for specialist science and technology advisory services required for the formulation of the strategy for a science and tech park and to assist in the negotiation with the existing landowner and potential end occupiers - at an estimated budget cost of no more than £100k, from the revenue allocation of the Growing Places Fund.

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

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

Decision required – supporting report

1. Introduction and background

- 1.1 The Government has allocated £110.761m of Growing Places Fund grant to London. The Government required the GLA to commit to “using the Growing Places Fund to generate economic activity in the short term by addressing immediate infrastructure and site constraints which promote the delivery of jobs and housing”.
- 1.2 The GLA is using those funds for its Growing Places Fund (GPF) programme which aims to deliver ambitious projects with tangible outcomes that respond to the emerging priorities of the London Enterprise Partnership (due to be published in April 2013) as well as the Mayor’s London Plan and Economic Development Strategy and in particular, which aims to attract the investment which London needs, and to maximise the benefits from this investment.
- 1.3 A Prospectus was published online on 16 March 2012 which sets out how it is intended the first tranche of capital grant will be invested and allows applicants to bid for investment from the £41m budget. The London Growth Fund Prospectus aims to use public sector funding to encourage private sector investment. The London Growth Fund will be used to support projects that are strategically important to London’s economic growth, where its impact can be recaptured, repaid after time, and reused to fund new projects in other parts of London. The deadline for bids was 14 May 2012 and the timescales for the London Growth Fund are set out in full on the last page of the Prospectus. The assessment criteria were also published.
- 1.4 One of the bidders has proposed GLA acquires a commercial site in London in respect of which significant investment has already been made in facilities and skills infrastructure and the public management of which might yield a significant return in terms of economic development.
- 1.5 In order however, to ensure that the GLA is able to regenerate the site as a successful science and tech park, a specialist advisor is required.
- 1.6 Further details of the proposal in respect of which the services are required are set out in part 2 of this report, the disclosure of the same prejudicing the commercial interests of the bidder in question and the GLA.

2. Issues for consideration

- a) Links to strategies and Strategic Plan
Investment of the London Growth Fund will accord with the Mayor’s Economic Development Strategy and in particular with Objective 5, which aims to attract the investment in infrastructure and regeneration which London needs, to maximise the benefits from this investment. Action 5D states that ‘the Mayor will champion the case for investing in London to meet not only London’s needs, but also to ensure that London can continue to drive the UK economy. He will ensure that investment is coordinated and will encourage innovative and cost-effective forms of new investment’. The LEP will provide advice on investment in accordance with the principles set out in the EDS. Individual projects will be subject to a business case which will show the links to strategy and highlight the benefits for London and Londoners.
- b) Impact assessments and Consultation
The LEP, representing public and private sector interests, has played a key role in making recommendations on the criteria and the process for bidding.
- c) Risk
Individual projects will carry out their own impact assessments and this proposal seeks to mitigate risk, primarily in terms of value for money.

3. Financial Comments

- 3.1 Approval is being sought to undertake a procurement exercise for a specialist advisor with expertise in science and technology in respect of a proposed GLA acquisition of a commercial site. We have been advised that these services are not covered by any existing contract within the GLA Group.
- 3.2 The estimated cost of this contract is up to £100,000. It is expected the commission will be wholly undertaken in 2013/14.
- 3.3 The revenue cost of £100,000 will be funded from the Growing Places Fund (GPF) programme. The use of GPF programme funds has been approved by the Local Enterprise Partnership (LEP) at its meeting of 23 January 2013.
- 3.4 In the event that the commercial site is acquired and operated as a commercial enterprise, the site will need to be handled through GLA Land and Property Ltd (GLAP).
- 3.5 All appropriate budget adjustments will be made.
- 3.6 As this decision relates to a contract, officers have to ensure that the requirements of the Authority's Contracts and Funding Code are adhered to.
- 3.7 As this contract is consultancy based, officers also have to ensure that the requirements relating to consultancy services within the Authority's Financial Regulations and Expenses & Benefits Framework are adhered to.
- 3.8 Any changes to this proposal must be subject to further approval via the Authority's decision-making process.
- 3.9 The Economic and Business Policy team within the Development and Environment Directorate will be responsible for managing this project.

4. Legal Comments

- 4.1 Sections 1-3 of this report indicate that:
 - 4.1.1 the decisions requested of the director fall within the Authority's statutory powers to do such things as maybe considered facilitative of or conducive to the promotion of economic development and wealth creation in Greater London; and
 - 4.1.2 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 promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
 - (c) consult with appropriate bodies.
- 4.2 The services required must be procured by Transport for London Procurement who will determine the detail of the procurement strategy to be adopted in accordance with the Authority's Contracts and Funding Code.

4.3 Officers must ensure that appropriate contract documentation is put in place and executed by the successful bidder(s) and the Authority before the commencement of the services.

5. Investment & Performance Board

Stages 1 and 2 approval will be considered by IPB on 7 March 2013.

6. Background/supporting papers

None

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 (FOI Act) and other legislation. Part 1 of this form will be made available on the GLA website within 1 working day of approval. Any facts and advice that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form. Deferment is only applicable where release before that date would compromise the implementation of the decision being approved.

Is the publication of this approval to be deferred? YES

If yes, for what reason:

It contains information the disclosure of which would be likely to prejudice the Authority's commercial interests by distorting competitiveness in the relevant market. Such distortion impacts upon the Authority's ability to secure competitive and sustainable bids for the provision of such supplies and services and value for money which is not in the public interest.

Until what date: 30 December 2013

Is there a part 2 form - YES

ORIGINATING OFFICER DECLARATION:

	Tick to indicate approval (✓)
Drafting officer: <u>Javiera Almeida Maturana</u> has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision.	✓
Assistant Director/Head of Service: <u>Debbie Jackson</u> has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.	✓
Sponsoring Director: <u>Fiona Fletcher-Smith</u> has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.	✓
Mayoral Adviser: <u>Kit Malthouse</u> has been consulted about the proposal and agrees the recommendations.	✓
Advice: The Finance and Legal teams have commented on this proposal.	✓

OFFICER APPROVAL**Executive Director, Resources**

I have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report.

Signature

Date

Chief of Staff

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

Signature

Date