

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD1382

Title: London Riverside – Development Infrastructure Funding Study

Executive Summary:

As part of the London Riverside Opportunity Area Planning Framework (OAPF) it is proposed to carry out a Development Infrastructure Funding (DIF) study for the area.

The DIF study will identify future infrastructure requirements to support the proposed level of development of 26,500 new homes and 16,000 new jobs. The DIF study will include a set of recommendations for how to fund delivery of this infrastructure.

The GLA will lead on procuring consultants, and will use a relevant framework if suitable. The estimated cost of this work is £120,000, to be split between the GLA, TfL and the London Borough of Barking and Dagenham.

Decision:

The Executive Director approves receipt of £70,000 and expenditure of up to £120,000 to procure and commission consultants to prepare a DIF study for London Riverside OAPF in 2015/16.

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: Executive Director-Development, Enterprise & Environment

Signature: 

Date: 28.9.2015

PART I – NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 The London Riverside Opportunity Area (OA) covers some 3,000 hectares and extends from the Royal Docks in the west to Rainham Marshes in the east, a total distance of 12 kilometres. It encompasses the southern parts of the boroughs of Barking and Dagenham and Havering, and a small part of Newham in the west.
- 1.2 Previously in December 2011, the GLA and London Thames Gateway Development Corporation (LTGDC), in partnership with TfL and the local councils had published a draft Opportunity Area Planning Framework (OAPF) for consultation. The current consultation draft OAPF updates that earlier version and responds to comments received from the earlier public consultation and subsequent stakeholder consultations as well as change taking place in the area over the last few years.
- 1.3 The OAPF team is managed and directed by the London Riverside Steering Group which in turn reports to the Strategic Board, which is comprised of representatives from Barking and Dagenham Council, Havering Council, the GLA and TfL.
- 1.4 London Riverside represents a significant opportunity to redress the balance in development pressure between west and east London, by capitalising on the area's strengths: existing strategic road and rail links; a ready supply of land for regeneration for housing and employment in a riverside setting; and its location between the Royal Docks, Canary Wharf and Central London, to the fast developing Lower Lea Valley and Olympics Legacy sites and the major ports of Tilbury and London Gateway.
- 1.5 In order to facilitate the delivery of up to 26,500 new homes and 16,000 jobs, the draft OAPF sets out five key principles:
- **Land use planning:** a strategic approach to the relocation and consolidation of Strategic Industrial Land (SIL) uses further to the east, including within Essex, and the clear identification of new housing land.
 - **Improved transport connections:** setting out the transport requirements to unlock and support development, including; the extension of London Overground's Gospel Oak line from Barking, which is essential to unlock housing development at Barking Riverside; a new station at Beam Park; improvements to the A13; new river crossings and other potential options being considered to support development in the longer term, such as a Crossrail extension to Bexley Riverside Opportunity Area and Ebbsfleet Garden City and the potential further extension of the Gospel Oak to Barking line to Thamesmead Opportunity Area.
 - **High quality public and private realm:** working with existing ecology, landscapes, open spaces and creating new parks and open spaces.
 - **Public land ownership:** expediting the development of publicly owned land assets to deliver the jobs and homes targets for London.
 - **Maximising benefits of housing investment:** through the coordination of housing strategy and land use planning.
- 1.6 The draft OAPF was published in February 2015 for a six week public consultation period. The consultation responses are currently being reviewed, and the draft revised where appropriate. The final version of the OAPF will be presented to the Mayor for adoption in September.

2. Objectives and expected outcomes

- 2.1 To deliver the scale of regeneration proposed at London Riverside and to help realise the areas strategic importance in delivering London's housing and employment targets, a significant package of physical works will be required, including;
- public transport (rail-lines, stations, relocation of infrastructure and bus networks);
 - new and improved highways and bridges;
 - public realm, pedestrian and cycle measures;
 - upgrading and providing new services (sewers, electrical, energy, emergency); and
 - provision of space for employment and training, culture, open space, play, arts and community.
- 2.2 The purpose of a Development Infrastructure Funding (DIF) study is to identify and cost all this necessary infrastructure and to propose mechanisms to fund these works. The DIF study will provide the evidence base and detailed justification for setting tariffs in a Community Infrastructure Levy. It can also be used to inform any potential future borrowing and setting of business rates.
- 2.3 The DIF study brief is attached to this paper.
- 2.4 The relevant TfL Framework, if suitable, will be used to procure consultants.
- 2.5 It is proposed that the GLA act as lead client. This will allow the GLA to have full oversight on the progress of the study, control of the brief, manage project partners and consultants, and able to make and lead on key decisions throughout the process.
- 2.6 Agreement has been reached with Transport for London (£40,000) and London Borough of Barking and Dagenham (£30,000) to share funding for the study. Havering are unable to provide funding as the Local Plan is taking priority for resources. However, they have offered to make available the evidence from their recent Community Infrastructure Levy study which covers a similar range of issues as the proposed DIF study. Approval is being sought to use up to £50,000 of revenue from funding generated from the pre-application charging through the Planning Unit in the Department of Development, Enterprise and Environment. The cost is based on comparable DIF studies already completed at Old Oak and Upper Lee Valley Opportunity Areas.

3. Equality comments

- 3.1 Opportunity Areas are identified in the London Plan, which has been subject to an Equality Impact Assessment (EqIA), and is available on the GLA website. The Framework has also been subject to an EqIA.

4. Other considerations

a) Key risks and issues

This study will provide important evidence and justification for a planning obligations strategy for private development in this Opportunity Area. This information will in turn allow the Councils for this area to implement a viable and robust Community Infrastructure Levy to secure the appropriate contributions from development to support delivery of key transport, community and social infrastructure, as well as affordable housing. It will ensure that relevant utilities are aware of and can plan for significant increases in development.

b) Links to Mayoral strategies and priorities

OAPF's are supplementary to the London Plan and bring together the Mayoral priorities for housing, economic development, development, transport, and the environment. Realising the development potential of Opportunity Areas is a Mayoral Priority, and OAPF's bring together strategic and local stakeholders to deliver an area-wide spatial planning framework in accordance with Government policy, as set out in the National Planning Policy Framework. The DIF study will help ensure that infrastructure required to support development is identified and appropriate funding secured. This will support the Mayor's Infrastructure Plan.

c) Impact assessments and consultations

OAPF's are subject to public consultation, and equality and environmental assessments.

5. Financial comments

5.1 Approval is being sought to spend up to £120,000 to procure a consultant (or consortium of consultants) to prepare a DIF study for London Riverside OAPF within 2015/16. This is to be funded as follows:

- £50,000 from Planning Pre-Application reserves in 2015-16;
- £40,000 contribution from TfL in 2015-16; and
- £30,000 contribution from London Borough of Barking and Dagenham in 2015-16

5.2 Confirmation has been received from TfL and the London Borough of Barking and Dagenham as to the value of their contribution towards the study. Officers should ensure that invoices are raised in a timely manner to reimburse the Authority.

6. Legal comments

Power to Undertake the Requested Decision

- 6.1 Under section 30 of the Greater London Authority Act 1999 (the 'Act') the GLA, after appropriate consultation, is entitled to do anything that will further the promotion, within Greater London, of economic development and wealth creation, social development and the improvement of the environment.
- 6.2 Furthermore, section 34 of the Act allows the GLA, to do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of any functions of the GLA. As set out in paragraph 1.5 above, the development of London Riverside is predicted to create 26,500 homes and 16,000 jobs. To this end, the use of £120,000 from the pre-application planning reserve to fund the procurement of consultants to undertake a development infrastructure funding ("DIF") study for the London Riverside OAPF may be viewed as being calculated to facilitate and conducive and incidental to economic development and social development in Greater London.
- 6.3 As regards the procurement of a consultant to undertake the DIF study, the officers are reminded of the requirements of the Contracts and Funding Code and should liaise with Transport for London's procurement department, whose officers can assist with the competitive procurement.

7. Planned delivery approach and next steps

7.1 The study will be procured through TfL Procurement, using a relevant Framework.

Activity	Timeline
Procurement of contract [for externally delivered projects]	Sept 15
Announcement [if applicable]	
Delivery Start Date [for project proposals]	Oct 15
Final evaluation start and finish (self/external) [delete as applicable]:	Mar 16
Delivery End Date [for project proposals]	April 16
Project Closure: [for project proposals]	May 16

Appendices and supporting papers:

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:

This Director Decision includes the overall project budget for appointing consultants to prepare the Development Infrastructure Funding study. It is important that this information is not made public until after the consultants are appointed and a price and scope for works have been agreed and contracts exchanged. If the total project budget is made public in advance of this it could lead to consultants providing inflated prices to complete the works. This information should not be made public until after the consultants have been appointed.

Until what date: (a date is required if deferring) 1st December 2015

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:

Darren Richards 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

22.9.15