GREATERLONDONAUTHORITY

**REQUEST FOR DIRECTOR DECISION – DD2487**

**Title: London Business Rates Pool - Industrial Intensification Delivery Strategies Appointment of Design Team for Belvedere, Bexley Pilot Area**

**Executive Summary:**

Mayoral Decision 2363 (MD2363) approved the allocation of £90.89 million from the Strategic Investment Fund to 13 projects, including £1 million to fund Industrial Intensification Delivery Strategies. In addition, MD2363 delegates authority for detailed project level approval to the relevant Executive Director through Director's Decision (DD).

This DD seeks approval of revenue expenditure of £84,812.00 to appoint the successful design team, to provide design and masterplanning services for the Belvedere pilot area. The design team has been selected through a competitive procurement process. The funding for this commission will be drawn from the £1 million allocation described above.

**Decision:**

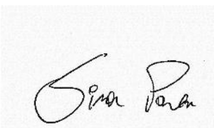
That the Assistant Director, Strategic Projects and Property approves:

> Expenditure of £84,812.00 from the £1 million approved allocation for the Industrial Intensification Delivery Strategies contained within the Strategic Investment Fund to appoint a design team to provide Masterplanning services for the Belvedere pilot area.

**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**: Simon Powell | **Position:** Assistant Director, Strategic Projects and Property, Housing & Land |
| **Signature:**  | **Date:** 17 July 2020 |

**PART I - NON-CONFIDENTIAL FACTS AND ADVICE**

**Decision required – supporting report**

## 1. Introduction and background

1.1. The Mayor, the London boroughs and the City of London Corporation, with the agreement of the government, established the London Business Rates Pool for 2018-19. The Mayor's agreement to the GLA's participation in the pool was set out in Mayoral Decision 2217. The main financial benefit of the pool is that London retains 100 per cent of any growth in business rate income over and above the baseline set by central government.

1.2. The Mayor secured agreement with the government to commit the GLA's share of the net additional benefit of pooling on strategic investment projects. In accordance with this agreement, the Mayor created a £112 million Strategic Investment Fund (SIF) to support strategic projects.

1.3. MD2363 approved an allocation of £90.89 million from the Strategic Investment Fund. The Industrial Intensification Delivery Strategies were awarded £1 million of this allocation to enable the development of modern industrial floorspace and new affordable homes, to meet the objectives of the London Plan (Intend to Publish).

1.4. The Industrial Intensification Delivery Strategies will provide a deliverable framework and design proposition for how sites on industrial land (designated and non-designated) can be intensified and consolidated to protect and enhance capacity, whilst allowing for release in parts to accommodate housing delivery to meet multiple objectives.

1.5. The funding has been allocated to prepare up to six delivery focused strategies for large areas of industrial land across London with capacity for up to 18,000 new homes and 144,000 square metres of industrial space. The strategies are intended to build planning confidence of partners to deliver projects through industrial intensification, in accordance with policy E7 of the London Plan (Intend to Publish). The strategies will help both the relevant London Boroughs and GLA implement policy to facilitate affordable housing and deliver intensified industrial capacity to serve London's economy.

1.6. DD2283 appointed the commercial team to advise on all six pilot areas with the sequential appointment of design teams for each pilot area to complete masterplans. This DD approves the expenditure for appointment of a design team for the final pilot location at a cost that is within the budget allocated for this specialist input.

1.7. GLA officers are procuring this work through the GLA's Architecture Design and Urbanism Panel 2 framework, which TfL procurement are leading for the GLA. The London Borough of Bexley have been part of the procurement process; they have co-authored the design brief and moderated bids, sitting on the evaluation panel.

## 2. Objectives and expected outcomes

2.1. Bexley Riverside is an Opportunity Area (OA) in the London Plan, and is a key growth area in Bexley's new Local Plan. Belvedere is within the Bexley Riverside OA, and is designated as a new District Centre. It has the potential for a new Crossrail station through the Crossrail to Ebbsfleet (C2E) and a potential terminus of a DLR extension from Gallions Reach through Thamesmead, and part of a potential bus transit route. This potential infrastructure investment, and strategic policy context makes it an exciting area for change and as a pilot location for industrial intensification.

2.2. Depending on the scope of these proposed interventions, up to 8,000 new homes could be accommodated, with the area generating up to 3,500 jobs in Belvedere. Figure 1 in the Appendix contains the key diagram setting out the growth strategy for the Borough, and the area of focus in the Strategic Industrial Land (SIL) in Belvedere.

2.3. Housing capacity is dependent upon industrial land being released around the planned infrastructure. To be policy compliant, and to ensure no net loss of industrial capacity, a process of substitution of industrial capacity needs to be implemented. This pilot study will develop robust industrial design proposals, with the objective of increasing industrial capacity within Belvedere Strategic Industrial Land (SIL), to facilitate and guide this process of substitution. It will not directly produce proposals for housing in this Commission, but will indirectly facilitate this delivery by supporting policy through delivering potential for substitution of industrial capacity.

2.4. The shared objectives of the pilot study are to:

- ensure retention of industrial floorspace capacity within Belvedere SIL, in accordance with policies E4-E7 of the London Plan (Intend to Publish), through the development of robust and deliverable industrial typologies and design propositions;
- generate deliverable industrial propositions that enhance the local economy in Belvedere, and Bexley more broadly, in line with economic development aspirations in the new Local Plan, and in line with wider industrial market demand for London;
- highlight investment propositions that contribute to wider regeneration aspirations; and
- inform the wider Masterplanning work for C2E, to demonstrate the levels of release that could be feasible around the station with current and enhanced levels of connectivity in the area, and the extent of the delivery challenge to ensure no net loss of industrial capacity;

2.5. The outputs of the work will be:

- feasibility proposals for bespoke industrial (only) intensification options within Belvedere SIL, with a clear demonstration of industrial capacity uplift;
- deliverable and well-functioning industrial floorspace in bespoke typologies, responding to local demand, spatial context, the industrial market and occupier expectations;
- a range of scenarios for intensification of sites within Belvedere SIL, based on the level of intervention and potential industrial capacity.
- identification of the delivery challenge and approaches that are required to enable industrial intensification development and substitution.

2.6. The work may support land acquisition, land assembly and investment by the GLA, the Local Authority, landowner or investment partner of the GLA. The Delivery Strategies and Masterplans will seek to reduce planning risk and demonstrate deliverable and compliant proposals.

## 3. Equality comment

3.1. Under section 149 of the Equality Act 2010, as public authorities, the Mayor and the GLA are subject to a public-sector equality duty and must have 'due regard' to the need to (i) eliminate unlawful discrimination, harassment and victimisation; (ii) advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and (iii) foster good relations between people who share a relevant protected characteristic and those who do not. Protected characteristics under section 149 of the Equality Act are age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status.

3.2. Throughout the decision-making and project design process, due regard has been had to the 'three needs' outlined above. The industrial sector employs hundreds of thousands of people in London; potential intensification of industrial land use will protect jobs in the industrial sector and retain a resilient economy that serves Londoners. The housing shortage in London disproportionately negatively affects people with certain protected characteristics; increasing the supply of housing and affordable housing will help to achieve positive impacts in line with the 'three needs'.

3.3. The GLA's Architecture, Design and Urbanism Panel 2 (ADUP 2) has an Equality, Diversity and Inclusion evaluation criterion, upon which all submissions are assessed. This criterion is worth 5% of the overall score. Officers asked suppliers to explain how they would seek to develop design proposals that are inclusive to current and future residents and occupiers. The successful bidder scored highest on this criterion.

## 4. Other considerations

*Key risks and issues*

4.1. There are no key risks or issues that need to be assessed, that are not mitigated by the procurement process. A contract will be entered with the successful supplier, and this will ensure that the work is completed within budget and to programme.

*Links to Mayoral strategies and priorities*

4.2. Good growth, as outlined in the London Plan (intend to publish) -protection of London's industrial sector is pivotal to the success of London's economy, in serving residents and businesses as well as creating value through production of goods. The pilot study will inform a future masterplan for Belvedere, and a future Supplementary Planning Document or Opportunity Area Planning Framework (OAPF).

4.3. Industrial protection and intensification –a key aspect of the London Plan (intend to publish) is policy E7 that marks a significant departure from previous London Plans. The pilot study will bring forward development in accordance with policy E7. The design team will work in consultation with the London Plan team.

4.4. Affordable housing delivery - The proposals will indirectly support affordable housing delivery in Belvedere by facilitating optimisation of sites close to the potential new Crossrail station, through the process of substitution of industrial capacity.

4.5. Housing delivery -The London Plan (intend to publish) has a 10-year housing target of 522,850, which per year is a 52,285 target. The pilot study will help to contribute towards this target.

*Impact assessments and consultations*

4.6. There has not been any impact assessment or consultation, beyond the procurement process.

*Conflicts of Interest*

4.7. Rickardo Hyatt, Interim Deputy Executive Director, has identified there would potentially be a perceived conflict of interest were he involved in approving this decision as he is a resident of the area in question. It has therefore been agreed he will not approve the decision. It has further been agreed with the Governance team that Simon Powell, Assistant Director, Strategic Projects and Property, will take the decision in Rickardo's stead, acting up into the Executive Director role for this particular purpose.

4.8. This potential perceived conflict having been removed, there are no potential conflicts of interest to declare by those involved in drafting or approving the Decision.

*Industrial Intensification Delivery Strategies Programme*

4.9. Belvedere is the sixth and final pilot area under the Industrial Intensification Delivery Strategies Programme, funded under MD2363. The programme will complete in 2020/21, with all pilot studies finalised and committed spend having been paid. This is within the resources allocated by MD2363.

## 5. Financial comments

5.1. This decision requests approval for expenditure of £84,812.00 to appoint a design team for the Belvedere industrial capacity and deliverability study pilot area.

5.2. The above expenditure will be funded from the £1 million allocation approved by MD2363 from the Strategic Investment Fund and will be incurred in 2020/21.

## 6. Legal comments

6.1. Under section 30(1) of the Greater London Authority Act 1999 (as amended) ("GLA Act"), the GLA has the power to provide the funding for the proposed intervention providing it considers that doing so will further one or more of its principal purposes of: promoting economic development and wealth creation, social development, and the improvement of the environment in Greater London.

6.2. In exercising the power contained in section 30(1) of the GLA Act, the GLA must have regard to the matters set out in sections 30(3-5) including the impact on health, health inequalities, sustainable development and climate change and its consequences and equality under section 33 of the GLA Act and section 149 of the Equality Act 2010, which is set out above.

6.3. Transport for London (TfL) have managed the procurement process on behalf of the GLA and are responsible for drafting the contract with the successful bidder.

## 7. Planned delivery approach and next steps

7.1. The planned delivery approach and next steps for this project are outlined in the table below.

| **Activity** | **Timeline** |
|---|---|
| Award of contract | July 2020 |
| Commission Start Date | July 2020 |
| Commission End Date | October 2020 |

**Appendices and supporting papers:**
Appendix 1 – Site Plans

**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**

Until what date: N/A

**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:**<br>Sarah Birt has drafted this report in accordance with GLA procedures and confirms the following: | ✓ |
| **Assistant Director/Head of Service:**<br>Nick Taylor has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval. | ✓ |
| **Financial and Legal advice:**<br>The Finance and Legal teams have commented on this proposal, and this decision reflects their comments. | ✓ |
| **Corporate Investment Board**<br>This decision was agreed by the Corporate Investment Board on 13 July 2020. | |

**EXECUTIVE DIRECTOR, RESOURCES:**

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

| **Signature** | **Date** |
|---|---|
| | 17 July 2020 |