

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD195

Title: Ford Dagenham Stamping and Tooling Plant (DSTO) – Valuation

Executive Summary:

Ford Dagenham Stamping and Tooling Plant (DSTO) is being decommissioned and prepared for disposal pending approval from Ford's US Board at the end of May 2014. This presents an opportunity for the GLA to purchase the site. The site has a clear strategic benefit to the GLA. Its acquisition would enable the GLA to control a large section of brownfield land (49ha) critical to the regeneration of London Riverside and achievement of the London Plan and Housing Strategy's targets for homes and jobs. Together with Beam Park which in itself has potential for a new community of c 3,000 homes it creates potential for an even larger-scale sustainable urban community with employment opportunities and improved transport links. Incorporating the DSTO site would ensure access directly from the new development at Beam Park enabling faster delivery of more homes.

A high level valuation of the site is required to inform the decision making process.

Once the valuation has been obtained, the decision to purchase and options for purchase will be developed and presented to the Investment and Performance Board for approval. No undertaking will be given to the owner and contractual commitment to purchase will be entered into until IPB has approved and the decision formally signed off by MD.

Decision:

That the Assistant Director, Strategic Projects and Property approves spend of £25,000 to obtain a valuation of the Ford Dagenham Stamping and Tooling Plant site.

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT:

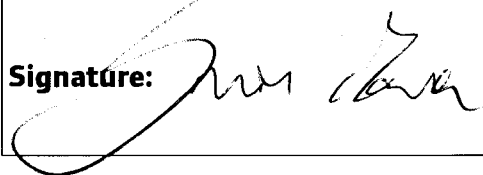
I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Simon Powell

Position: Assistant Director – Strategic Projects and Property

Signature:



Date:

20/05/14

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

1.1 Site Background

Ford Motor Company owns the freehold of the 20ha DSTO site in the London Riverside Opportunity Area bounded by the A1306, railway and Chequers lane. The site is surplus to the Ford Motor Company's requirements and is being decommissioned. Ford's intention is to complete the decommissioning works by end of 2014. The US board are currently considering options for the level of demolition and remediation before disposal. They intend to market the site once this is complete with a disposal by the end of 2015.

East of DSTO is Beam Park (29ha) which was purchased by the LDA in 2001/2 and transferred to GLA Properties in 2012. It has been vacant apart from temporary uses since acquisition. There is a section of the DSTO site immediately adjacent to the Beam Park site. This land includes access points and link road to the A1306 and Kent Avenue. Beam Park is currently being taken forward with a planning brief and options appraisal to inform its disposal. This work has identified potential synergies with the Ford Stamping Plant site and an opportunity to connect the two sites providing direct access through the DSTO from Beam Park to Dagenham Dock Station which is immediately south west of the DSTO site.

The area to the north contains Chequers Corner and the Polar Ford Site. The north-west portion has been developed with a Premier Inn and Brewster's Pub/Restaurant. The remaining north-east section of Chequers Corner comprises two land strips (0.03ha each) and the Polar Ford (1.31ha) sites are in GLA ownership and available for development.

There is a long strip of land in Ford's ownership to the south west of the site running close to the railway line which is likely to be of interest to Network Rail and a strip of land outside of Ford's ownership to the south of the site abutting the railway line which is leased by Network Rail to Freightliner.

1.2 Planning

The London Plan 2014 and the Draft London Riverside Opportunity Area Planning Framework (LROAPF) identify brownfield sites in East London as a means to meeting London's needs for housing and employment. The Mayors Housing Strategy sets out the need to accelerate housing development to meet London's need for 42,000 new homes pa.

DSTO's location places it at the heart of the LROAPF masterplan. Until now the site has been excluded from the regeneration plans but its availability creates an opportunity to bring forward a brownfield site within an opportunity area in line with strategies for housing and employment which will support and complement plans for Beam Park.

DSTO is an allocated employment site outside the London Borough of Barking and Dagenham's South Dagenham West Site Specific Allocation (SSA) Development Plan Document 2010. The SSA indicates plans to enhance the retail offer at Merrilands Retail Park with a focus on Merrilands Crescent Area and Chequers Corner. The SSA also includes the Dagenham Leisure Park and suggests these uses could be relocated to Merrilands Crescent Area and Chequers Corner. LBBB have identified Chequers Corner as a new district centre which will be designated in the Local Plan

review due to commence in April 2014. DSTO offers a strategic opportunity to help achieve this vision.

Stakeholders at the Beam Park options appraisal workshop identified DSTO as an opportunity to develop a retail/leisure offer with a residential/employment hub around Dagenham Dock Station. This is a main arrival point and creating vibrancy and improving accessibility would have a positive impact on the whole area, including the LSIP and Beam Park as well as supporting the emerging Chequers Corner District Centre. Further exploration of future uses is needed to understand the sites potential for residential and other uses.

The site has a clear strategic benefit to the GLA. Its acquisition would enable the GLA to control a large section of brownfield land (49ha) critical to the regeneration of London Riverside and achievement of the London Plan and Housing Strategy's targets for homes and jobs. Together with Beam Park which in itself has potential for a new community of c 3,000 homes it creates potential for an even larger-scale sustainable urban community with employment opportunities and improved transport links. Incorporating the DSTO site would ensure access directly from the new development at Beam Park enabling faster delivery of more homes.

1.3 Based on recent valuations the costs for this work is estimated at £25,000

2 Objectives and expected outcomes

2.1 The DSTO site could realise:

- (i) A significant number of new homes for London, a Mayoral Priority.
- (ii) Job creation associated with construction of the development as well as completed commercial and leisure uses.
- (iii) Associated community benefits, local infrastructure improvements, employment skills training and public services.

3 Other considerations

3.1 Key Risks

Without a valuation the key risk is that the GLA will lack data to enable a realistic exploration of the acquisition options and costs.

The top 3 project risks and actions are:

Risk	Level (1-5)	Action
Insufficient data exists to obtain a meaningful valuation if Ford site investigation data is not available	Likelihood: 3 Consequence: 4	Ford to be asked for site investigation data, (NB may not issue it until after the US board gives the go-ahead for disposal) or GLA allocates additional budget
Ford may decide to accept one of the offers which have already been presented before the GLA is able to obtain a valuation	Likelihood: 4 Consequence: 4	Carry out valuation ASAP, ensure Ford are aware of the GLA's aspirations to purchase the site and negotiate with them to agree to wait for the GLAs decision before accepting other offers

3.2 Links to Mayoral Strategies

- The delivery of new housing for London is a Mayoral Priority. The DSTO site could deliver a significant number of housing units – including affordable housing – in the London Borough of Barking & Dagenham.
- The DSTO site also has potential to deliver significant commercial space – be it retail, office or leisure – which will contribute to the Mayoral Priority of nurturing businesses (small and large) and help Londoners to find and access jobs.
- The DSTO site could facilitate improved access to local transport and green infrastructure to facilitate Regeneration – a Mayoral Priority – of the South Dagenham area. To do this, the GLA will work with the LB of Barking and Dagenham to create access to the station from Beam Park through the DSTO site and support improvements to the public realm at Dagenham Dock Station. These will act as a catalyst to achieving growth and creating jobs.
- The DSTO site could support the development of a new district centre at Chequers Corner, providing a new retail and leisure offer which will support the emerging LB of Barking and Dagenham's emerging planning policy and support promote and enable the continued development of a strong, sustainable and increasingly diverse economy - a Mayoral Priority – in London Riverside.

3.3 Consultations

The DSTO site is of importance to London Riverside and could deliver significant regeneration of an area in substantial need. The GLA is working in close partnership with the London Boroughs of Barking & Dagenham to agree a coherent strategy for the site's future development in relation to other development sites in the area, particularly Beam Park and Polar Ford, but also the existing retail and leisure offer. This includes discussions as to how the DSTO site could support LBBD's plans to develop a district centre at Chequers Corner.

The future development of the site is discussed at monthly Beam Park Steering Group meetings which feed into the overall London Riverside Steering Group. The site was considered in relation to Beam Park, Polar Ford and other A1306 development sites at an options appraisal workshop to identify preferred uses for Beam Park.

Regular meetings are also held with Ford to update on the plans for the disposal of DSTO.

GLA planning and Regeneration have been consulted on the future development of the site and Strategic Projects is responding to the consultation on the London Riverside Opportunity Planning Framework regarding the site's future use and strategic opportunity.

4 Financial comments

4.1 The budget for this valuation is available from a forecast underspend in the development stock revenue budget for 14-15, specifically London Underground costs relating to the Greenwich Peninsular Development.

4.2 Any acquisition would be subject to Mayoral decision and would need to be assessed for corporation tax and budgetary implications.

5 Planned delivery approach and next steps

- 5.1 Once approval is obtained through this ADD, the GLA will appoint consultants to obtain:
- The value of the site with existing buildings retained but with internal plant & machinery removed i.e. a complex with a series of poor quality sheds but potentially capable of producing an income but with inherent risk of void rates
 - The value of the site cleared of all buildings and capable of open storage use
 - The value of the site for industrial use redevelopment
 - The value of the site for continuation of Beam Park use redevelopment i.e. residential mixed use development

Activity	Timeline
Procurement of contract [for externally delivered projects]	12-05-14
Announcement [if applicable]	n/a
Delivery Start Date [for project proposals]	21-05-14
Final evaluation start and finish (self/external) [delete as applicable]:	n/a
Delivery End Date [for project proposals]	30-06-14
Proposals for purchase to IPB	Autumn 2014

Appendices and supporting papers: None

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: - commercially sensitive until after negotiations have been undertaken

Until what date: (a date is required if deferring) 31 December 2014

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:

Carolyn Tobin has drafted this report in accordance with GLA procedures and confirms that the Finance and Legal teams have commented on this proposal as required, and this decision reflects their comments.

✓

HEAD OF GOVERNANCE AND RESILIENCE:

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

Signature:



Date:

20.05.14