

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2115

Title: Hayes Opportunity Area - Development Infrastructure Funding Study

Executive Summary:

The London Plan identifies Hayes, in the London Borough of Hillingdon, as part of the wider Heathrow Opportunity Area. This area is identified by the London Plan as having capacity to provide a minimum of 9,000 new homes and 12,000 additional jobs.

In order to help plan and manage the growth expected for Hayes, the GLA has been working with Hillingdon Council on the development of a strategic plan known as an Opportunity Area Planning Framework (OAPF). A key part of the OAPF is a Development Infrastructure Funding Study (DIFS).

Work on the DIFS began in November 2016 when BNP Paribas and Inner Circle were instructed to incorporate a DIFS brief as part of a Hillingdon Strategic Infrastructure Plan Project which had already been commissioned by Hillingdon Council.

The GLA will recover all costs from Access Self Storage, Barratt London, Buccleuch Property and SEGRO.

Decision:

That the Assistant Director of Planning approves:

1. Expenditure of up to £50,000 for consultancy work for the Development Infrastructure Funding Study for Hayes, as part of a wider Strategic Infrastructure Plan for the London Borough of Hillingdon; and
2. Receipt of £100,000 of income, comprising £25,000 from each of Access Self Storage, Barratt London, Buccleuch Property and SEGRO, and noting that the income will be utilised as follows:
 - a. £50,000 to fund the Study;
 - b. £50,000 for Opportunity Area Planning Framework developments in 2017-18.

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: Juliemma McLoughlin

Position: Assistant Director - Planning

Signature:

Date:

25.5.2017

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. The London Plan identifies Hayes, in the London Borough of Hillingdon, as part of the wider Heathrow Opportunity Area. This area is identified by the London Plan as having capacity to provide a minimum of 9,000 new homes and 12,000 additional jobs.
- 1.2. In recognition of this potential and the arrival of Crossrail 1 services from May 2018, the Hayes area was designated as a Mayoral Housing Zone in March 2016. This has helped to unlock £39.1 million of GLA funding to enable the delivery of approximately 850 affordable homes in the area.
- 1.3. In order to help plan and manage the growth expected for Hayes, the GLA has been working with Hillingdon Council on the development of a strategic plan known as an Opportunity Area Planning Framework (OAPF). This is currently at an early (pre-consultation) draft stage, but has already begun to usefully inform the approach to a number of key sites south of the future Crossrail station at Hayes and Harlington. Nevertheless, a clearer understanding of the infrastructure necessary to support growth in this area is fundamental in order to secure sustainable development. Therefore, a Development Infrastructure Funding Study (DIFS) is to be undertaken to inform planning decisions and the continued progression of the OAPF and Hillingdon Local Plan.
- 1.4. Past practice has shown that, depending on the area of study, a typical DIFS may cost between £80,000 to £120,000. With this in mind, GLA officers approached prospective developers in the Housing Zone area in order to pool funding for a DIFS. Such a study would offer mutual benefits by providing clarity to all parties on the infrastructure necessary to support growth, and the means of delivering this. Accordingly, GLA officers secured a funding commitment of £100,000, pooled from four developers (Access Self Storage, Barratt London, Buccleuch Property and SEGRO) all contributing £25,000 each.
- 1.5. Notwithstanding this, as part of partnership working with Hillingdon Council, an opportunity was identified to deliver the DIFS work as part of a recently commissioned borough-wide study (the Hillingdon Strategic Infrastructure Plan). Essentially, this involved the augmentation of the Hillingdon Strategic Infrastructure Plan brief with a more detailed infrastructure assessment specification for the Hayes area, including the testing of additional growth scenarios. This amalgamation allows for considerable time and cost savings for both the GLA and Hillingdon Council and is in line with Government advice for public authority efficiency and good practice.
- 1.6. Following a competitive tender process undertaken by Hillingdon Council between March and April 2016, BNP Paribas (working with Inner Circle) was selected as the Council's preferred supplier for undertaking the Hillingdon Strategic Infrastructure Plan. On 19 October 2016 (following GLA officer review of the successful tender response), it was agreed at a Hillingdon Strategic Infrastructure Plan project meeting that BNP Paribas/Inner Circle could incorporate the DIFS work as part of the Hillingdon Strategic Infrastructure Plan project. The final brief for the project was agreed on 3 November 2016, with BNP Paribas/Inner Circle providing a quote of £41,325 for the DIFS component of the work on 14 November 2016. As a contingency GLA officers are seeking approval for up to £50,000 in this instance.
- 1.7. The merging of the two briefs effectively meant that the DIFS work became an integral part of the Hillingdon Strategic Infrastructure Plan. Moreover, given the importance of the Hillingdon Strategic Infrastructure Plan to the Council's Community Infrastructure Levy review programme, work on the combined project was commenced immediately on 14 November 2016. Therefore, it has been

necessary to seek this approval retrospectively. The project is, nevertheless, ongoing at the time that this ADD is being prepared.

- 1.8. Pursuant to the above, Hillingdon Council commissioned the DIFS work as an additional component to its original brief and contract with BNP Paribas (working with Inner Circle) to deliver the Hillingdon Strategic Infrastructure Plan. Hillingdon Council continues to lead on the project however; a working protocol has been established to ensure that key decisions are made jointly by both authorities in a transparent way as part of regular steering group meetings. The GLA will reimburse Hillingdon Council for costs associated with the DIFS (refer to paragraph 1.6) and GLA costs will subsequently be recovered from Access Self Storage, Barratt London, Buccleuch Property and SEGRO as per the commitments described in paragraph 1.4.

2. Objectives and expected outcomes

- 2.1. The GLA's objective is to obtain specialist advice in the fields of financial viability and infrastructure provision from BNP Paribas and Inner Circle (as part of a wider project commissioned by Hillingdon Council) in order to ascertain the infrastructure requirements of the Hayes area, and the options for funding those requirements in the context of anticipated growth.
- 2.2. The outcome of this work will be a written report. The GLA and Hillingdon Council intend to make this report available to the public as part of the evidence base for the Hillingdon Local Plan, Hillingdon Community Infrastructure Levy review, and a future Hayes OAPF.

3. Equality comments

- 3.1. The Equality Act 2010 provides that in exercising its functions, the Mayor as a public authority shall amongst other duties have due regard to the need to a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited under the Act; b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and, c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 3.2. The protected characteristics set out in the Equality Act are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The Equality Act acknowledges that compliance with the duties set out may involve treating some persons more favourably than others, but that this does not permit conduct that would otherwise be prohibited under the Act.
- 3.3. With regard to age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation there are no identified equality considerations which arise in respect of this request for Assistant Director Decision.

4. Other considerations

Links to Mayoral strategies and priorities

- 4.1. The DIFS is necessary to support sustainable development, including housing and employment growth, in accordance with the London Plan and the strategic objectives for the Mayor's Hayes Housing Zone.

GLA/Hillingdon joint working

- 4.2. The joint working arrangement with Hillingdon Council allows for significant time and cost savings to be achieved. This is a huge benefit for both authorities; however, because Hillingdon Council

commissioned the work, the GLA is not in sole control of the project. Accordingly, a working protocol has been established to ensure that key decisions on the project are made jointly by both authorities, in a transparent way, as part of regular steering group meetings. GLA officers are satisfied that this provides sufficient comfort that the Mayor's priorities will be appropriately promoted and protected.

Retrospective approval

- 4.3. As discussed in paragraph 1.7 above, the merging of project briefs to secure cost and time efficiencies has effectively resulted in the DIFS work becoming an integral part of the Council's wider Hillingdon Strategic Infrastructure Plan project. The latter project is of critical importance to the Council's Community Infrastructure Levy review programme (which it has already been necessary to suspend momentarily while the two projects were merged). Noting this, and the Council's original intention to conclude the Hillingdon Strategic Infrastructure Plan project (which covers Hayes, as well as the rest of the borough) by the end of February 2017, officers agreed that work on the combined project could be started on 14 November 2016 - before formal GLA approval could be obtained. Whilst initial drafting of this ADD commenced immediately, the demands of the project (coupled with the day to day requirements of supporting the Mayor's statutory planning function) have meant that the administration associated with finalising this ADD request has been delayed until now. However, further to the context set out in section 1 above (including the strong linkages to Mayoral strategies; enhanced value for money secured through project sharing; and the position on GLA cost recovery) officers are of the view that the decision to commence the project in advance of formal approval is justified in this case.

Recovering GLA costs

- 4.4. Access Self Storage, Barratt London, Buccleuch Property and SEGRO have all agreed in writing to provide £25,000 each to the GLA to cover the cost of the consultancy work required to produce the Hayes DIFS. In conjunction with the overall project cost savings secured through the joint working arrangement with Hillingdon Council, GLA officers are satisfied that this provides sufficient comfort that GLA costs will be appropriately covered.

5. Financial comments

- 5.1. Approval is being sought for expenditure of up to £50,000 to cover consultancy costs for the Development Infrastructure Funding Study for Hayes.
- 5.2. The cost is to be funded from the Planning Decisions 2017-18 budget. The GLA will be reimbursed by Access Self Storage, Barratt London, Buccleuch Property and SEGRO, who will pay £25,000 each. The additional income of £50,000 will be used in 2017-18 for Opportunity Area Planning Framework developments.

6. Legal Comments

- 6.1. This ADD request does not present any specific legal issues.

7. Planned delivery approach and next steps

- 7.1. The table below sets out the agreed programme for the Hayes DIFS project.

Activity	Timeline
BNP Paribas/Inner Circle appointed by Hillingdon Council	w/c 4 April 2016
Hillingdon project scope revision to include GLA DIFS brief	w/c 31 October 2016
Brief agreed and joint work on DIFS commences	w/c 14 November 2016
DIFS stakeholder engagement process 1	w/c 21 November 2016
Review of initial findings	w/c 12 December 2016
DIFS stakeholder engagement process 2	w/c 2 January 2017
Review of further findings	w/c 23 January 2017
Provision of draft DIFS report	w/c 20 February 2017
GLA/Hillingdon review of draft DIFS report	w/c 20 February 2017
BNP Paribas/Inner Circle refinement of draft DIFS report	w/c 27 February 2017
Provision of update draft DIFS report	w/c 20 March 2017
Wider stakeholder consultation on draft DIFS report	w/c 20 March 2017
All party review of feedback	w/c 3 April 2017
BNP Paribas/Inner Circle finalisation of DIFS report	w/c 3 April 2017
Provision of final DIFS report	w/c 10 April 2017

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? NO

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:**

Graham Clements, Senior Strategic Planner has drafted this report in accordance with GLA procedures and confirms that Finance team and the Legal team have commented on this proposal as required, and that this decision reflects their comments.

Corporate Investment Board:

The Corporate Investment Board reviewed this proposal on 22 May 2017.

HEAD OF FINANCE AND GOVERNANCE:

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

Signature:



Date:

24.05.17