

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2464

Title: Cost Consultancy Advice for scheme at 5 Kingdom Street

Executive Summary:

This document seeks the approval of expenditure of up to £20,000 on expert build cost consultancy advice to review build cost information submitted to support the planning application (GLA ref 4925) on the 5 Kingdom Street Site.

The application has been ‘called-in’, meaning that the Mayor will be the decision-maker. The advice sought will help the GLA’s Viability Team scrutinise the applicant’s viability evidence and will help ensure that affordable housing contributions are maximised and that the Mayor’s decision is well informed.

The planning applicant has agreed, in writing, to reimburse the GLA for the cost of the advice.

Decision:

That the Assistant Director of Planning approves:

1. expenditure of up to £20,000 on build cost consultancy advice that will review and scrutinise build cost related evidence submitted by the applicant in relation to the planning application on the 5 Kingdom Street site; and
2. receipt of income of up to £20,000 from the planning applicant, British Land.

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: Lucinda Turner

Position: Assistant Director of Planning

Signature:



Date:

23 September 2020

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. This decision seeks approval for the expenditure of up to £20,000 on build cost consultancy advice relating to the planning application on the 5 Kingdom Street site. The planning application has been 'called-in' by the Mayor in accordance with powers conferred by the Mayor of London Order (2008), meaning the Mayor will be the decision-maker.
- 1.2. The advice sought will help the GLA's Viability Team scrutinise the applicant's viability evidence and will help ensure that affordable housing contributions are maximised and that the Mayor's decision is well informed.
- 1.3. The Viability Team have carried out a competitive procurement process in accordance with the GLA's Contracts and Funding Code, inviting quotes from three suppliers. The highest scoring tendering party, Robinson Low Francis, has been selected as the supplier.
- 1.4. Breakdown of the £20,000 expenditure:
 - The quote of the selected supplier is for £14,750. The planning applicant has agreed, in writing, to reimburse the GLA in relation to this cost.
 - An additional amount of up to £5,250 is sought through this approval to cover as yet undefined associated work that may arise through the application and hearing process. In the event that this additional amount is likely to be used, agreement from the planning applicant to reimburse the GLA for these costs will be sought prior to these costs being incurred, unless exceptional circumstances apply.

2. Objectives and expected outcomes

- 2.1. The objective of this commission is to receive build cost consultancy advice that will help the GLA Viability Team scrutinise the applicant's viability evidence. This will help ensure affordable housing contributions are maximised and that the decision to be made by the Mayor is well informed.
- 2.2. In terms of expected outcomes, it is expected that the GLA Viability Team will receive a report that sets out what build cost information is reasonable to include within the viability assessment of the proposed scheme.

3. Equality comments

- 3.1. No adverse equality impacts are identified in carrying out this work. This work will ensure that the viability assessment for proposed development is robustly assessed. This is in line with the Mayor's policies within the draft London Plan and Affordable Housing and Viability Supplementary Planning Guidance which seek to maximise the provision of genuinely affordable homes for Londoners. Consequently, there are no negative equality impacts in carrying out this work and there are positive impacts on groups with protected characteristics in need of affordable housing.

4. Other considerations

- 4.1. Key Risks: No significant risks arise from this approval. Potential risks are identified in the table below:

Risk description	Inherent score	Mitigation	Target score
The work is not carried out in time.	Likelihood: 2 Impact: 3 Total: 6	<ul style="list-style-type: none"> The Standard Contract for Services provides assurance that work will be carried out in time. Regular project updates are being sought through the duration of the project. 	Likelihood: 1 Impact: 2 Total: 2
The budget for the work is exceeded.	Likelihood: 2 Impact: 2 Total: 4	<ul style="list-style-type: none"> The scope of the work and fees are agreed in writing and are crystallised in the Standard Contract. 	Likelihood: 1 Impact: 2 Total: 2
The work is not of sufficient quality.	Likelihood: 2 Impact: 3 Total: 6	<ul style="list-style-type: none"> The scope of the work is agreed and are crystallised in the Standard Contract. Regular project updates are being sought through the duration of the project. 	Likelihood: 1 Impact: 2 Total: 2

4.2. Links to Mayoral strategies and Priorities:

- [Affordable Housing & Viability Supplementary Planning Guidance](#): This document sets out the Mayor's approach to securing affordable housing through the planning system and assessing development viability. The work being commissioned will help ensure that development on this site will provide appropriate contributions for affordable housing.
- [The Intend to Publish London Plan](#): This sets out the requirement to secure provision of genuinely affordable housing on development through the planning system and for schemes to be viability tested where the relevant 'threshold level' of affordable housing is not being provided (see Policy H6).

4.3. No consultations or impact assessments are required to inform this decision.

4.4. There are no conflicts of interest to note for any of the officers involved in the drafting or clearance of this decision form.

5. Financial comments

- 5.1. Permission is being sought for the receipt and expenditure of up to £20,000 on consultancy services to review and evaluate the proposed development of 5 Kingdom street site.
- 5.2. A quote of £14,750 has been obtained for the provision of this service with the remaining balance of up to £5,250 allocated for contingency should the planning application be altered following the initial advice given.
- 5.3. The Authority will initially incur the costs of the consultancy services which the applicant will reimburse retrospectively. Any additional costs, including the use of the contingency allowance, will be agreed to in advance by both parties before being sustained. This will have a net nil effect on the 2020-21 GLA budget.

6. Legal comments

- 6.1. The above paragraphs indicate the decision requested of the Assistant Director fall within the Mayor's powers within his statutory powers under section 30 of the Greater London Authority Act 1999 (as amended) ("the Act"), acting on behalf of the authority to do anything he considers that will promote

the importance of the environment in Greater London; and 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 the principles that there should be equality of opportunity for all people;
- b) consider how the proposals will affect:
 - the health of persons in Greater London;
 - the health inequalities between persons living in Greater London;
 - the achievement of sustainable development in the United Kingdom; and
 - climate change, and the consequences of climate change and consult with appropriate bodies.

6.2. The Mayor has a statutory role as strategic planning decision maker as part of the Act and the Town and Country Planning (Mayor of London) Order 2008. He also has legal powers under the Order to take over strategic planning applications for determination. Rigorous decision making and assessment is critically important to the successful implementation of policies in the London Plan.

6.3. In taking the decisions requested, the Assistant Director must have due regard to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010). To this end, the Assistant Director should have particular regard to section 3 (above) of this report.

6.4. The officers are reminded that the expenditure, which is set out in decision section of this ADD, must be made in accordance with the requirements of the Authority's Contracts and Funding Code.

7. Planned delivery approach and next steps

7.1. The project is being delivered in accordance with the following timetable:

Activity	Timeline
Procurement of contract	01.09.2020
Delivery start date	03.09.2020
Provision of first draft of advice	16.09.2020
Internal review of draft advice	18.09.2020
Delivery of final advice	25.09.2020
Project Closure	29.01.2021 (this takes into account unforeseen work that could fall under this contract which may arise from the application/decision process which could continue into 2021).

Appendices and supporting papers:

None.

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

If YES, for what reason:

Until what date: (a date is required if deferring)

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:

Joseph Ward has drafted this report in accordance with GLA procedures and confirms the following:

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 21 September 2020.

ASSISTANT DIRECTOR OF FINANCIAL SERVICES:

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

Signature



Date

21 September 2020