

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD1367

Title: Commissioning Fund - studies in Erith and Anerley/Crystal Palace

Executive Summary:

Approval in principle was obtained in the High Street Fund report to the Investment and Performance Board in January 2015 for a £400,000 'Commissioning Fund' to commission and develop high street regeneration projects in areas of London where future investment could unlock the most growth potential but where bids are currently unforthcoming.

This decision concerns two projects as part of this fund - Erith Town Centre Design and Implementation Strategy, and the feasibility study of Anerley Town Hall as a business hub for the Crystal Palace Area.

Decision:

The Executive Director Approves;

- Expenditure of up to £40,000 to grant the London Borough of Bexley to develop the Erith Town Centre Design and Implementation Strategy;
- Expenditure of up to £30,000 to procure and appoint a consultant to produce a feasibility study of Anerley town hall as a business hub for the Crystal Palace 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: Fiona Fletcher-Smith

Position: Executive Director Development
Enterprise and Environment

Signature:



Date:

13/07/15

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. Approval was obtained in the High Street Fund report to IPB in January for a £400,000 'Commissioning Fund' to develop a pipeline of projects in areas of London where there is strong growth potential.
- 1.2. This was signed off in MD1469, which encompassed the decision to delegate allocation of the fund to the Executive Director Development Enterprise and Environment.
- 1.3. Two projects brought forward in this decision are the Erith Town Centre Design and Implementation Strategy (£40,000), and a feasibility study for Anerley town hall to be a business hub for the Crystal Palace area (£30,000).
- 1.4. The scope and justification for both projects has been presented and approved by the Chairman of the Mayor's Design Advisory Group.

2. Objectives and expected outcomes

2.1. Commissioning Fund

- 2.1.1. The general criteria for selecting projects for funding, in order to identify suitable areas of London in which to develop pipeline projects, follows that described in the Accommodating Growth in Town Centres report. The report identifies three characteristics for areas to receive regeneration funding. They should have the potential for intensification, be under threat of decline as a result of structural change and there should be a local commitment and capacity to deliver intensification.
- 2.1.2. It is likely that priority areas for intervention will be Major or District Centres that form the middle category which retail research suggests is vulnerable to restructuring. Further indicators would be persistently high vacancy rates for retail floor space, a worsening retail offer, a high proportion of comparison goods relative to the size of centre, retail rents that are low by sub-regional standards and are stagnant or declining, a poor qualitative experience, high levels of secondary office space, Strategic Housing Land Availability Assessment (SHLAA) potential for residential development, high levels of public transport accessibility and planned transport improvements that might improve accessibility.
- 2.1.3. Prior to presenting projects for the commissioning funding, the GLA's Regeneration team has spent time with boroughs in the areas identified to develop a series of project proposals for future rounds of high street funding and for bidding to other funding streams.
- 2.1.4. The type of support that is proposed to be provided through the commissioning fund varies depending on the degree to which development work has been developed by the borough, local business or community organisation, from town centre strategies to more focussed place specific development projects aimed at addressing the threats and opportunities outlined above.

2.2. Erith – LB Bexley

Background:

- 2.2.1. Erith is a District Centre on the Thames at the eastern end of the borough of Bexley. The commissioning fund contribution is to fund a design and implementation strategy for the town centre.
- 2.2.2. Erith Town Centre has the potential to support housing growth and jobs. Against a backdrop of increasing voids in the town centre itself, Bexley are progressing a revised and comprehensive approach to maximising the benefits of the Council's own land holdings and working in partnership with others. Use of the Council's planning powers is unlikely to be enough to secure the regeneration aspirations for the town, so an approach to acquire more sites has been developed and it is planned to seek funding and support from partners to progress the programme.
- 2.2.3. This work will be underpinned by a development and capacity study and a design and implementation strategy (making up the Erith Regeneration Programme). The design and implementation strategy (this funding) will update the vision established in previous masterplanning work, further define strategic objectives, and establish an approach to movement and connectivity and the public realm. It will also develop an implementation plan covering both public realm projects and development sites including a funding strategy.
- 2.2.4. Bexley are funding the Development and Capacity Study (with match funding to the value of £42,670) and it is proposed that the Design and implementation Strategy will be jointly funded by Bexley and the GLA.
- 2.2.5. The project objectives in the longer term are to realise the development potential of key town centre sites, increase the ability to control development through ownership and to intensify development in Erith town centre. The desired outcomes are high quality development in a key town centre locations, to bring mixed use and new sectors into Erith town centre to provide job opportunities and local amenity and to increase the number of residential units in the town centre.

The study and its outputs:

- 2.2.6. The commission will provide a design strategy and delivery approach for knitting together the opportunities in Erith town centre, making the most out of the spaces between identified development sites, and potentially identifying additional development sites.
- 2.2.7. The design and implementation strategy will be expected to provide the following:
- An updated vision – developed and agreed with stakeholders.
 - Strategic objectives – clear, concise, spatial moves underpinning the work.
 - Movement parameters – for all modes of transport, in coordination with wider transport work on the roundabout.
 - Public realm parameters – to transform the area's public realm and improve connectivity and movement in and through the area.
 - Development parameters – providing design advice and input to a separate consultant (appointed by LB Bexley under another contract) on development quantum and appropriate scale/density of development.

- A series of component projects – a comprehensive set of independently deliverable projects with clear costs and responsibilities.
- A robust implementation and phasing plan – realistic, viable and flexible framework for delivery in the short, medium and long-term.

2.3. Crystal Palace/ Anerley Town Hall enterprise hub – LB Lambeth, LB Croydon, LB Bromley, LB Southwark

Background:

2.3.1 Upper Norwood/Crystal Palace is a district centre on the borders of Lambeth, Bromley, Croydon and Southwark. The commissioning fund contribution is to fund a feasibility study for Anerley town hall to be a business hub for the Crystal Palace area.

2.3.2 Crystal Palace sits on the boundary of four boroughs and the wider area extends into a fifth, Lewisham. An area study was recently completed that considered the regeneration potential in the area and attempted to define how the borough edge condition might be addressed. The study in particular identified local demand for enterprise space, and an active series of networks in the area.

2.3.3 The Trust, who have operated workspace in the building for 11 years, are negotiating to take on a 40 year full repairing lease of the building from the London Borough of Bromley. The Trust currently operate out of approximately 75% of the building, the lease would allow them to take over the remaining space, the currently vacant branch library, as well as the outdoor space, and the caretakers flat, and expand the offer provided from the building. The building has a variety of sizes of spaces, and an excellent location right by Anerley station, on the London Overground network.

2.3.4 The centre would be providing not only long term workspace (as part of the building does currently), but also start up and incubator space, and support, and act as a 'hub' to business support to 'spokes' on high streets across the area, Upper Norwood, and Penge, as well as to the growing homeworker and maker community in the area.

2.3.5 Operating across borough boundaries, the activities of from the centre would be available across the wider Crystal Palace area, providing enterprise and business support not only to those in the building, but wider job creation and employability support, and directly incubate start-ups and pre-startups.

2.3.6 The centre, with its long lease, can be flexible, and also provide business support volunteering, potentially provide access-to-work services (such as a crèche), and, crucially, actively support networks of business and employment groups in the area.

2.3.7 There is a backlog of capital works required to the building of the order of £500k, and in order to sign the lease over to a community trust, a sustainable business plan would need to be demonstrated. The GLA is allocating funding to this feasibility based on the understanding that the remit for this hub would be over the five borough area, rather than restricted to Bromley, where the building sits.

2.3.8 The community halls are used busily every day of the week and the business centre occupation has increased from just over 40% to 70% in the last year. A Business Centre serving small local business enterprises with 28 lettable units incorporating 69 workstations, is currently circa 70% full (5700 sq ft).

2.3.9 The Trust's current position is that it is managing 28% of the building (the community hall space), and managing the 48% of it as a Business Centre on behalf of Bromley Council, who collect the associated income, and who pay The Trust a management fee. The Trust pays Bromley council for its proportion of building running costs for the areas from which it takes income. The Trust also enjoys, as manager of the

building, rent free office space from which to function. Currently there is only a "Tenancy at Will" and a "gentleman's agreement" with Bromley of being given 6 months' notice to terminate this arrangement.

2.3.10 The Trust have had ongoing dialogue with Bromley council officers (since July 2012) and a proposal to give The Trust the building to manage in its entirety on a 40-year, rent free, but full repairing lease has been deemed one they are prepared to recommend to the Council Executive, subject to certain conditions being met (primarily the agreement of how much the borough would need to invest to bring the building up to the standard at which The Trust could realistically consider taking it on).

The study and its outputs:

2.3.11 The aim of this study is to explore how this community asset can function as an enterprise hub, serving the five boroughs in the area.

2.3.12 The commission will:-

- Develop business plan options for the Trust taking on these facilities
- Provide a feasibility report on the physical building, including upgrade works, configuration possibilities, in relation to the business plan options
- Set out indicative building management costs
- Set out revenue stream options for the Trust
- Identify and commence conversations with possible partners/ service providers, complementary to the Trust's current activities.

3. Equality comments

3.1. Through their existing public sector duties and via the requirements which will be set out in the funding agreement, the Council must ensure that they give due regard to the requirements of the Public Sector Equality Duty: eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out this project.

3.2. The following issues have been considered specifically:

- Design (project) proposals: All design (project) proposals will be assessed in terms of accessibility to ensure we minimise disadvantages suffered by people who share a protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation).
- Documents and publications: all documents produced will comply with Mayor of London branding guidelines, it being based on guidance from the Royal National Institute of Blind People. Where possible accessible formats will be available.
- Events: all events will be open to all and, where possible, we will encourage people who share a protected characteristic to participate in any activity in which their participation is disproportionately low.

4. Other considerations

4.1. Key risks and issues:

4.1.1. Key risks and their control measures will be reported to BPR as part of the regular updates and performance management.

4.2. Links to Mayoral strategies and priorities:

4.2.1. The Erith study is interlinked with the Bexley Growth Strategy Direction of Travel Document: a joint statement of intent adopted by both the LB Bexley and the GLA. The Growth Strategy itself is unlikely to be finalised until early 2016 and it will be essential that some clarity is provided to developers and landowners as to the Council's and the Mayor of London's intentions before then, so that they can make informed decisions about how to progress proposals in the interim.

4.2.2. The Commissioning Fund has been developed to support London Plan policies with regard to Town Centres, Retail, Lifetime neighbourhoods, public realm and urban design. It also supports the ambition set out in *Action for High Streets* to make high streets better places to live in, work in, and do business in.

4.3. Impact assessments and consultations:

4.3.1. As part of the tender process for consultants and contractors on the project, tenderers will be asked to provide details of their equality policy and environmental impact policy.

5. Financial comments

5.1 Approval is being sought to grant fund up to £40,000 to LB Bexley in 2015/16 to deliver the Erith Town Centre Design and Implementation Strategy (to be governed by funding agreement) and to procure consultancy services to carry out a feasibility study of Anerley town hall as a business hub for the Crystal Palace Area, at a cost of up to £30,000.

5.2 It is expected the commission will be wholly undertaken in 2015/16 and the revenue cost of up to £70,000 will be funded from the High Streets Commissioning Fund.

5.3 All requisite budget adjustments will be made.

5.4 As part of the proposed funding above is to be governed via funding agreement, officers are reminded to ensure that they liaise with both the Legal and Finance Teams in the preparation and execution of the funding agreements. In addition, the monitoring of the funding and associated payments must be in line with the Authority's Funding Agreement Toolkit.

5.5 Officers will be responsible for assessing LB Bexley's grant claims against the funding agreement and taking any remedial action should output and costs vary from the agreement. The funding agreements should clearly state milestones to be met in order to claim funding.

5.6 Officers should also ensure that the requirements relating to the Authority's Contracts and Funding Code are met.

5.7 As part of this decision relates to a contract, officers have to ensure that the requirements of the Authority's Contracts and Funding Code are adhered to.

5.8 As this contract is consultancy based, officers also have to ensure that the requirements relating to consultancy services within the Authority's Financial Regulations and Expenses & Benefits Framework are adhered to.

- 5.9 Any changes to this proposal must be subject to further approval via the Authority's decision-making process.
- 5.10 The Regeneration Team within the Development, Enterprise & Environment Directorate will be responsible for managing these projects and associated funding agreement.

6. Legal comments

- 6.1 The foregoing sections of this report indicate that the decisions requested of the Director fall within the GLA's statutory powers to do such things considered to further, or which are facilitative of, conducive or incidental to the promotion of the economic development and wealth creation in Greater London. In formulating the proposals in respect of which a decision is sought officers have complied with the Authority's related statutory duties to:
- pay due regard to the principle that there should be equality of opportunity for all people;
 - consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
 - consult with appropriate bodies.
- 6.2 Sections 1 & 2 of this report indicates that the contribution of up to £40,000.00 to the London Borough of Bexley amounts to the provision of grant funding and not payment for services. Officers must ensure that the funding is distributed fairly, transparently, in accordance with the GLA's equalities and in a manner which affords value for money in accordance with the GLA's Contracts and Funding Code.
- 6.3 Officers must also ensure that funding agreements are put in place between and executed by the GLA and London borough of Bexley before any commitment to fund is made.
- 6.4 The services required in respect of the feasibility study Anerley town hall as a business hub must be procured by TfL Procurement in accordance with the GLA's Contracts and Funding Code. Officers must liaise with TfL Procurement in this regard and in order to ensure that an appropriate contract is put in place between and executed by the GLA and the successful bidder before the commencement of the supplies and services in question

7. Planned delivery approach and next steps

- 7.1. The Erith project is to be delivered by LB Bexley through a grant agreement, administered by the GLA Regeneration Team.
- 7.2. The Anerley Town Hall project will be a direct consultant commission by the GLA Regeneration Team, with a steering group made up of the Crystal Palace Community Development Trust and LB Bromley. This consultant commission will be procured in line with GLA consultant procurement procedures.
- 7.3. How the project will be delivered, and the outline timetable is set out below:

Erith:

Activity	Timeline
Procurement of consultants	July 2015
Draft report issue	Jul 2015
Possible Public Consultation Event	Jul 2015
Alterations & Additions to draft report	Jul 2015
Final report following alterations	Aug 2015
Project Closure	Aug 2015

Anerley Town Hall, Crystal Palace:

Activity	Timeline
Procurement of contract	Jul 2015
Delivery Start Date	Aug 2015
Final evaluation start and finish (self)	Nov 2015
Delivery End Date	Sep 2015
Project Closure:	Nov 2015

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? NO

If YES, for what reason:

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

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:

Matthew Turner and Adam Towle have drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service:

Click and insert name 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. D. Bell

Date

10.7.15

