

**REQUEST FOR DIRECTOR DECISION – ADD110**

**Title:** Site disposal for Pontoon Dock, West Silvertown, Royal Docks

**Executive Summary:**

The purpose of this report is to:

Seek approval for a budget of up to £45,000 to complete the necessary due diligence and conduct a procurement exercise to complete a disposal of Pontoon Dock in the Royal Docks.

GLA Land and Property Ltd (GLAP) intends to market the Pontoon Dock site in November via the London Development Panel for which GLAP requires a comprehensive suite of information on the site to provide bidders with an accurate description of the opportunity. This will optimise the procurement process and ensure a sound basis for negotiation reducing any risks associated with the development.

GLAP require funds to procure a consultant team for legal and commercial advice in order to carry out the tender documentation. This will assist in the structure of the proposed development agreement and ensure a clean land title for the site is provided at the outset of the procurement.

**Decision:**

That the Assistant Director approves expenditure of up to £45K to support the disposal of the site for Pontoon Dock, West Silvertown, Royal Docks.

**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:** 11 December 2013

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

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1 Pontoon Dock is 0.66 hectare site, currently a car park and landscaped area serving the Thames Barrier Park. GLAP intends to market this site via the London Development Panel and in order to do so will prepare accurate information on all aspects of the site reducing risk and providing clarity for the tender bidding process for developers. The intention is that this will result in a development proposal and disposal strategy for the site.
- 1.2 The site is directly adjacent to the award winning Thames Barrier Park and the Pontoon Dock DLR station. The site is also served with a dedicated vehicular access onto the North Woolwich Road.
- 1.3 There was a previous Agreement for Lease in place with Silvertown Quays Ltd, (dated 27 April 2007) which is believed to have expired, since the termination of the development agreement and contract with the former Silvertown Quays Ltd. It is broadly understood that the site was identified as a location for a multi-storey car park to support the visitor's attraction – an Aquarium – proposed at Silvertown Quays. The disposal strategy and approach to this site has changed to reflect new aspiration and planning context.
- 1.4 A substantial coordinated public and private sector investment has created the basis for an emerging new local centre as identified in the Local Planning Authority's Core Strategy. The site is located in the 'Arc of Opportunity', stretching from Stratford and the Olympic Park, down the Lower Lea Valley and east through the Royal Docks to Beckton. It is in this corridor that the majority of the Borough's growth will be located up to 2027.
- 1.5 GLAP will market Pontoon Dock, as a residential-led scheme, and will therefore seek a development partner through the London Development Panel. The procurement will follow the standard LDP three-stage methodology.
  - 1<sup>st</sup> Stage - Expression of Interest Stage – expected to commence in November-2013;
  - 2<sup>nd</sup> Stage - Sifting Brief Stage – expected to commence in January-2014; and
  - 3<sup>rd</sup> Stage - Invitation to Tender – expected to commence in March-2014
- 1.6 The GLA intends to prepare a brief for commercial and legal advice and procure by running a mini competition with the assistance of TfL procurement with an anticipated budget of £45K. This is an upper limit and there could possibly be room for savings, including a contingency, to be determined later in the project.

#### **1. Objectives and expected outcomes**

- 2.1 The outputs and approximate breakdown of financial cost of this project are as follows:
  1. A rationalised Land Title Deed and Site Plan and Title report £10K
  2. Draft Development Agreement £15K
  3. Commercial appraisal and procurement evaluation £15K
  4. 10% Contingency £5K

- 2.2 The commission of this work will ensure GLAP can deliver the project in accordance with the draft programme, (see appendix A) the selection of a developer would take place in May/June 14 and GLAP would expect a start on site by June 15 at the latest.
- 2.3 The exact quantum of development will not be known until the procurement exercise has been finalised and preferred development partner selected, but to promote the creation of Private Rented homes the procurement will specify supply of Private Rent and encourage partnerships with institutional investors.
- 2.4 A speculative feasibility study for the site has been developed and modelled in a similar approach to an adjacent Barrier Park East scheme that would deliver circa 150 homes.
- 2.5 This development would aim to raise the standard of design quality working closely with developers to meet the compliance of design quality adopting recent guidance and space standards including the London Housing Design Guide and assess ways and examine ways to support the promotion of the Mayor's Rental Standard.

## Other considerations

### a) Key risks and issues

- 3.1 We anticipate that the provision of the site investigation information will maximise the value of the site in terms of bids for the site. It is so far anticipated that previous reports produced for the Thames barrier Park developments should ensure knowledge of the likely remediation costs and further certainty for the developer; however this will need further confirmation.
- 3.2 The site does not have planning permission as obtaining it will be for the selected developer to enact, with GLAP partnering on the project and offering support and guidance. GLAP has initially engaged with LBN on these proposals for the site and the indication is that they are receptive to these plans. This will be a collaborative process with LBN as a key stakeholder.
- 3.3 Indicative timescales as follows:
  - July 2014:** Conditional development agreement completed
  - January 2015:** Detailed planning application submitted
  - March 2015:** Detailed planning permission and s106 completion
  - June 2015:** Construction works start on site
- 3.4 The planning requirement would need to ensure a provision for parking is provided as part of an existing planning obligation for the delivery of the park. The decision notice under condition 18 and 19 states "The accommodation for parking, the loading and unloading of vehicles, and for picking up and setting down of persons and for the circulation of vehicles and pedestrians within the site for each phase shown upon the plans so approved pursuant to Condition 3 shall be provided before commencement of the use of that phase of the development and **retained permanently for the accommodation of vehicles of the occupiers, users or visitors to that phase of the development, only and shall not be used for any other purpose.**"
- 3.5 It is anticipated a new planning application would consider this the Thames Barrier Parking and coach 'drop-off' area comprehensively within the development proposals led by the selected developer/applicant.

- 3.6 The adjoining site (Thames Barrier Park) is indicated as Open Space within the Local Planning Authority's Core Strategy however it is relatively clear from the mapped policy documentation this does not include this sections of the site, however this is pending a further detailed discussion with the LPA.

b) Links to Mayoral strategies and priorities

This will be an early procurement via the London Development Panel and as such it is paramount that we are able to provide as much information as we are able to realise the delivery of Private Rented homes on the Mayor of London's land as part of a previous mayoral commitment.

#### 4 Financial comments

- 4.1 It should be noted that a mayoral decision is required before an asset disposal can be completed and during that approval process all financial and tax implications should be sought and considered.

4.2 The costs and budget requested as part of this decision are revenue in nature and should be monitored as such during the budget monitoring process. These costs may be met from future sales income within GLAP however the timing and quantity of these receipts are not yet known. Savings may need to be identified from within the existing revenue budgets should sales income not materialise to meet these costs.

- 4.3 As part of the MD process clarification should be submitted to confirm that the lease to Silvertown Quays Ltd has expired.

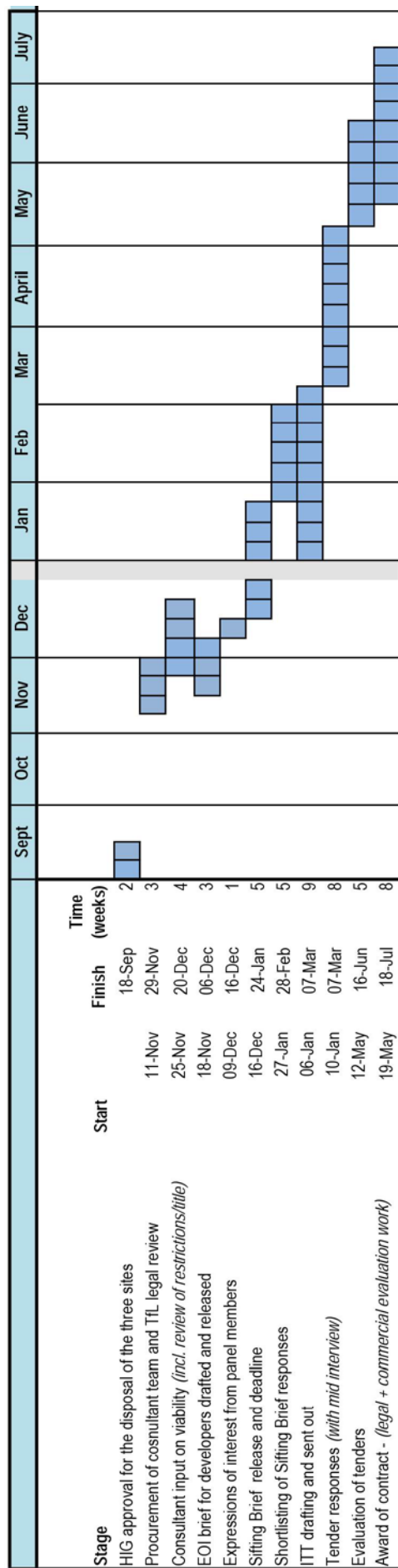
- 4.4 This site may need to be valued in order to determine that best consideration criteria have been met and in order to separate it from the larger Thames Barrier Park asset.

#### 5. Planned delivery approach and next steps

Please note that this timescale relates to procurement of the development will come at a later stage once the developer evaluation has been concluded. As the contract for the consultants has not yet been procured it is very difficult to outline accurate timescales so this is a best estimate.

| Activity                                                                  | Timeline         |
|---------------------------------------------------------------------------|------------------|
| Procurement of contract [for externally delivered projects]               | 22 November 2013 |
| Announcement [if applicable]                                              | 6 December 2013  |
| Delivery Start Date [for project proposals]                               | 9 December 2013  |
| Final evaluation start and finish (self/external) [delete as applicable]: |                  |
| Delivery End Date [for project proposals]                                 | 1 June 2014      |
| Project Closure: [for project proposals]                                  |                  |

## Appendices and supporting papers: Appendix A - Programme



**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:

GLAP is about to undertake a procurement activity associated to the disposal of land. We would ask that the content of this decision – in pertaining to the details of the procurement process and the specification, will remain confidential until a time that is not commercially sensitive and will not provide any organisation a competitive advantage.

Until what date: (a date is required if deferring) 30 June 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:**

Paul Clarke has drafted this report in accordance with GLA procedures and confirms that the Finance team has commented on this proposal as required, 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**

**Date**