

PART 2 – CONFIDENTIAL FACTS AND ADVICE

DD2275

Title: Title: Promotion – East London Centre Business Plan

This information is not for publication until the stated date, because:

The information in this document contains confidential information relating to the future use of the Crystal building at the Royal Docks. Disclosure of this information could potentially result in significant material harm to the delivery of an 'East London Centre', specifically negatively impacting upon the GLA's and its partners ability to negotiate with Siemens who presently occupy the building.

Date at which Part 2 will cease to be confidential or when confidentiality should be reviewed: to be reviewed once the relevant appointments, commercial and funding agreements have been negotiated and signed - expected to be Autumn 2019.

Legal recommendation on the grounds of keeping the information confidential:

In the event of any request for access to the information contained in this document under section 1 of the Freedom of Information Act 2000 ("the Act"), it is considered that access can be denied on the basis that the disclosure of such information would prejudice the GLA's commercial interests and therefore is covered by the exemption under section 43 of the Act.

Section 1 of the Act creates the general right of access, which provides that any person making a request for information to a public authority is entitled:

- to be informed in writing by the public authority whether it holds information of the description specified in the request; and
- if that is the case, to have that information communicated to him/her.

Part II of the Act contains a number of exemptions from disclosure for certain classes of information. In particular, section 43 of the Act provides that information is exempt information if disclosure under the Act would, or would be likely to prejudice the commercial interests of any person (including the public authority holding it). The section above indicates that the information is considered commercially sensitive as its release could affect the GLA's ability to effectively negotiate with the current occupant of the Crystal building.

The section 43 exemptions are qualified exemptions and their use is therefore, subject to a public interest assessment.

Public Interest Assessment

At present, on balance, it is considered that the public interest is best served if the information is not disclosed at this point. Disclosure by the GLA would be likely to have a detrimental effect on the GLA's commercial interests and the delivery of the proposed project.

The eligibility of these exemptions should be reassessed in the event of an FOI request for this information as the level of sensitivity may change over time and different circumstances may alter the arguments in favour of non-disclosure.

Legal Adviser - I make the above recommendations that this information should be considered confidential at this time

Name: Emma Brookman

Date: 24 September 2018

Confidential decision and/or advice: As per below

1. Introduction and background

- 1.1 The 2017 scoping exercise by the NLA was delivered through a combination of interviews with local stakeholders and desk research (ADD2146). The NLA's report outlined a series of options – one of which included repurposing a section of the Crystal's under-utilised exhibition space to provide a focus for exhibitions, events and cultural programming. This would help to tell the story of the Royal Docks and begin to change perceptions of the area incorporating technically-advanced displays and an interactive model.
- 1.2 The repurposing of the Crystal building will enable the team to plan early and put in place robust arrangements for an economically sustainable future for the building whilst also: 1) helping to showcase the area's regeneration and long-term transformation, as above and 2) providing workspace and a hub for the Royal Docks Delivery Team and wider partners.
- 1.3 The business plan will establish whether an East London Centre will realise its objectives and be deliverable (in capital terms) and viable (in operation). The document will also aid in guiding negotiations between Siemens and the team in agreeing financial terms for the transition of the building from Siemens to the GLA. The anticipated completion of the report will be September 2018.
- 1.4 This approval incorporates a Single Source Justification agreeing to the appointment of NLA/Pipers on the basis of their specific expertise in the proposed work that will take account of their previous strategic research and exhibitions. There are no other Building Centres in London of the same model as NLA/Pipers, therefore making their input unique. The business plan is also a follow-on project from the previously commissioned project scoping done for the Royal Docks Team by the NLA/Pipers (ADD2146). As such, grounds exist to support the exemption as further outlined in the Single Source Justification due to 'previous involvement in a specific current project' (see paragraph 10.1 of the GLA Contracts and Funding Code (the "Code").
- 1.5 A detailed Project Initiation Document (PID) attached with this paper (Appendix 1) contextualises how this piece of work is critical to the wider 'Regeneration Centre' project in assessing its viability and providing conceptional and commercial options. Within the PID, the business plan is set out in Phase 1 which scopes the project.

2. Objectives and expected outcomes

- 2.1 The objectives of the commission(s) are to:
- 2.2 Provide guidance for lease negotiations between Siemens and the GLA in agreeing terms for the transition of the building from Siemens to the GLA by 2023;

- 2.3 Advise on new lease and operational agreements, setting out recommendations for a new commercial relationship between the GLA and Pipers/NLA;
- 2.4 Set out an ambitious brief, aligning the aims and objectives of the GLA and Pipers/NLA for building programme and exhibition content;
- 2.5 Provide financial models and scenarios showing how the GLA and Pipers/NLA will interact to provide a sustainable and long-term strategy for the building.

3. Other considerations

- 3.1 A lack of co-operation from Siemens could potentially impact the project as a key risk. To mitigate this, early engagement with Siemens would be critical to the development of the business plan and the proposal for an East London Centre. Regular high-level and project meetings will be held with Siemens for their input/feedback and also buy-in from stakeholders and development partners leading to consistent communication on project delivery.
- 3.2 The business plan may deter NLA/Pipers from pursuing any commercial involvement with the GLA and Crystal building. However, establishing the parameters for the buildings successful operation is fundamental in mitigating the risk that once the lease with Siemens expires in 2023, that the GLA will be left with a property without function and at huge cost. If the findings of the business plan negate an East London regeneration centre as unviable, the Royal Docks team will continue to explore other options for the building which will push back promotional elements of the Delivery Plan the programme.
- 3.3 The overall objective of this approval is to accelerate and maximize the regeneration of the EZ. A strong promotional vision is essential for the Royal Docks to accelerate development and communicate the wider opportunity of the EZ beyond each individual development site, linking to the wider sub-regional area.
- 3.4 The Delivery Team have received a detailed breakdown of the costs for the project detailed below. In addition to the time taken to provide a business plan, NLA/Pipers charge an Intellectual Property fee of £30,000 which they have discounted for this piece of work by 50%. This provides significant value for money and brings the total fee down to £36,800.

WORKSTAGE	DIRECTOR	CONSULTANT	TOTAL
Site visit	0.33	0.33	0.66
Market research	2.00	5.00	7.00
Agree aims & objectives	1.00		1.00
Preliminary financial model	3.00	1.00	4.00
Business model workshops	1.50		1.50
Detailed financial model	3.00	1.00	4.00
Commercial scenarios	1.00		1.00
Business planning	2.00	1.00	3.00
Final presentation	1.00		1.00
Final report	2.00		2.00
TOTAL	16.83	8.33	25.16
DAILY RATE	£1,100	£400	£866.45
TOTAL FEE (exc. VAT)	£18,500	£3,300	£21,800

3.5 It is not considered that any further impact assessment is required for this specific decision.

Appendices and supporting papers:

Appendix 1 – Project Initiation Document