

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2017

Title: Business Plan for programme to build local authority planning and regeneration capacity

Executive Summary:

The Regeneration team is developing a programme to build local authority planning and regeneration capacity, and support Mayoral objectives including the delivery of homes. The initiative, with the working title of The London Place Agency, would offer local authorities hand-picked, highly motivated and specially trained planning and regeneration practitioners for flexible placements at affordable rates, subsidised through Mayoral and private sector support. The initiative has cross-GLA support, including from the Deputy Mayor for Housing. Professional input is now needed to produce the Business Plan.

Decision:

That the Assistant Director of Regeneration approves expenditure of up to £20,000 for the development of a business plan for a programme to build local authority planning and regeneration capacity, delivered with the support of external professional consultants procured through the appropriate approved procurement routes.

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: Debbie Jackson

Position: Assistant Director of Regeneration

Signature:



Date:

17/08/16

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 The GLA Regeneration Team has been developing an outline business plan for a programme to build borough planning and regeneration capacity, with a working title of 'The London Place Agency'. The programme will build a pool of skills and expertise to grow the public sector's capacity to deliver homes; support collaborative planning and sharing of resources across authorities; and develop a new generation of placeshaping professionals committed to working with communities to shape better places. The initiative would be based on the principles of successful programmes in other areas of public service such as Teach First (education), Police Now (policing) and Frontline (social work).
- 1.2 The initiative has been discussed and approved across the relevant GLA teams, including Regeneration, Housing & Land, and Planning. The Deputy Mayor for Housing, James Murray, has asked for a business plan to be developed under the umbrella of Homes for Londoners.
- 1.3 The funds for production of the business plan are from the Development, Enterprise & Environment Central Programme budget, controlled by the Executive Director, Fiona Fletcher-Smith.
- 1.4 The Agency is a recommendation of the Mayor's Design Advisory Group's *Good Growth Agendas*, the Select Committee for National Policy on the Built Environment's *Building Better Places* report, and the London Housing Commission's final report *Building a new deal for London*. It has the support of organisations including London Councils, LGA, Nesta, Future Cities Catapult, Planning Officers Society, London First, Future of London, Urban Design London, New London Architecture, and University College London. It also has support from across the development industry, including the British Property Federation, British Land, Peabody, Berkeley Homes and U+I.
- 1.5 86% of boroughs have said that a secondment pool of highly skilled officers would be a useful way of supporting their placeshaping capacity. 16 boroughs have already expressed an interest in offering placements, and there is a strong pipeline of placeshaping practitioners who have expressed an interest in applying.
- 1.6 An outline Business Plan brief has been developed by the GLA Regeneration Team, in consultation with boroughs, and the development of the business plan needs now to be carried out by appropriately skilled consultants.
- 1.7 In addition, there is significant interest in the model from local authorities outside London. The East of England LGA (EELGA) recently approved a recommendation to establish the feasibility of extending the London Place Agency model to their authorities. This would help facilitate the duty to cooperate, as well as London Plan objectives for wider sub-regional growth. There is an opportunity to extend the scope of the business plan subject to additional funding from the EELGA.

Context

- 1.8 Good placeshaping creates the conditions for good growth. It engages communities, builds public support, coordinates investment, shapes development, and strengthens the character of a place. London has one of the greatest concentrations of talented placeshaping practitioners – planners, urbanists, architects, landscape architects, surveyors, conservation specialists, engineers and regeneration professionals – in the world. However a longstanding and widening skills gap between the public and private sectors is limiting the placeshaping capacity of local authorities, and in turn constraining the delivery of homes and growth.
- 1.9 The GLA has identified public sector speed and delivery as one of the main ‘Barriers to Housing Delivery’, noting that ‘some planning departments are considered understaffed. Interviewees also commented on a perceived skills gap in some planning departments.’ This is backed up by an MDAG survey of London’s placeshaping capacity carried out in 2014, which revealed an uneven landscape of resources across boroughs, where capacity does not always correlate with areas of planned growth. Expertise in non-statutory disciplines such as architecture and urban design has suffered as a result of financial constraints. 91% of London boroughs say they require more placeshaping skills in their planning departments. London First and the London Enterprise Panel have also called for ‘beefing up borough-level planning resources to speed up planning and pre-commencement processes.’
- 1.10 These concerns are shared by private sector developers who, in a separate study, ‘expressed the view that in the current climate of fiscal austerity, there was a risk that planning departments would become under-resourced and that this could delay and undermine the planning process.’ There is strong evidence that developers or investors are willing to subsidise additional local authority capacity if it helps to de-risk the planning process and timescales. A recent survey of housebuilders identifies providing additional resources to local authority planning departments as the single most important policy measure to boost housing supply.
- 1.11 There are many examples of excellent practice within planning departments, but in the context of economic constraints, London boroughs are finding it more difficult to attract the most talented placeshaping professionals, and harder to keep those with the ambition and capabilities to find jobs elsewhere. 70% of London boroughs have difficulty in attracting appropriately qualified or skilled placeshaping practitioners.
- 1.12 Local authorities identified the top three barriers to meeting their capacity needs as: uncertainty over funding, lack of available funding, and complexity of the recruitment process. As a result, authorities are increasingly turning to external consultants and private agencies as a short-term measure to fill the gap. All London boroughs cover their capacity needs by procuring external consultants, and 83% by recruiting agency staff. While this approach offers more flexibility, over the longer term it can erode local knowledge and capacity, and result in unnecessary costs.
- 1.13 London has a range of programmes to support existing staff which continue to nurture skills successfully within boroughs. However, it is clear from feedback from boroughs that training is not sufficient on its own. Alternative, cost-effective models are needed to access and share talent across the public sector, and build skills to support growth in a more targeted and strategic way. As recognised in MDAG’s *Shaping London* report, London’s growth demands a proportionate strengthening of London’s placeshaping capability.

2. Objectives

2.1 This commission will set out the development of a business plan for the potential programme to build local authority planning and regeneration capacity that will allow for the Business Plan to be fully explored, to allow further decisions to be made on its function, remit and financial requirements.

2.2 In detail, the business plan will address the following:

Purpose: A mission statement.

Users: The value proposition to three primary user groups: local authorities, placeshaping practitioners, and public and private sector supporters.

Market: The need, competition and solution, informed by market testing focus groups

Case studies: An analysis of similar programmes and how they work, such as GLA Secondments, Teach First, Year Here, On Purpose, Superpublic.

Scope: Template role profiles for placements and heads of terms for agreements with local authorities, established through cross-sector consultation on the proposals.

Scaleability: The minimum viable product, proposals for pathfinders, projected growth, and potential for the programme to scale-up nationally or internationally over the longer-term.

Research and Training: The arrangements and curriculum for the offer of collective research, training and development.

Mentoring and support: A model for a pool of mentoring and personal support, potentially in partnership with an existing network.

Partnerships: Mapping the landscape of organisations with shared aims and activities, and potential areas for partnership. Develop strategic partnerships with related organisations through draft Memorandums of Understanding.

Impact: A methodology for assessing impact through quantitative and qualitative outputs and outcomes.

Governance: A legal structure and management structure (with input from TfL Legal).

Human Resources: An HR strategy promoting equality and diversity, and considering options for recruitment through the GLA, or through a newly established not-for-profit body (with input from GLA HR & OD).

Risk: The key risks, issues and mitigation.

Identity: The name, identity, branding and marketing plan.

Tech: Potential for web-based platforms for building and sharing collective intelligence.

Resources: A plan for resources including people, premises and equipment.

Process: A strategy for recruitment cycles, retention and future options after completing placements.

Financial Plan: A plan for income, expenditure, cash flows, recruitment fees, funding, sponsorships, in-kind support and private sector contributions (with input from GLA Finance).

- 2.3 As part of the business planning process, a steering group will be established to advise on the development of the Business Plan. The steering group will be chaired by a Deputy Mayor, and include representation from relevant GLA teams, local authorities, and potential partners to ensure proposals reflect the needs of the industry and local authorities.

Expected outcomes

- 2.4 The output from the commission will be a viable business plan for The London Plan Agency addressing aspects as set out in 2.2. The business plan will enable the Mayor to determine the commitment for the next stage of development for the programme, as well as gain support from other funders, supporters and contributors.

Budget breakdown

- 2.5 The budget is based on the team's knowledge of similar business plans that have been commissioned, taking into account the availability of internal GLA Finance, Legal and HR support. The estimate is approximately 65 hours @ £295 per hour, though the actual cost and value within this budget will be determined through the appropriate competitive tendering process.

3. Equality comments

- 3.1 The GLA must ensure that the procurement of this commission gives due regard to the requirements of the Public Sector Equality Duty: to 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:
- Employment law advice: All 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.

4. Other considerations

- 4.1 GLA buy-in across various relevant departments is necessary for the development of the business plan. The Regeneration Team have discussed the proposal with senior members from Housing and Land and Planning, and the relevant Executive Directors. The Regeneration Team have also presented a meeting paper to endorse procurement of the business plan at the Deputy Mayor's Planning Meeting on the 21st of June 2016.
- 4.2 The proposed programme will directly support the implementation of London Plan objectives, including effective strategic planning by the boroughs, as well as Mayoral manifesto commitments relating to housing provision, placemaking and cohesive communities.
- 4.3 In order to effectively deliver a useful offer, a wide range of input into the business plan will be required. Some of this input will be via the project steering group, and others will be via consultation between the consultants and stakeholders. The make up of the steering group will be approved by the Executive Director.
- 4.4 Keys risks and issues

Risk	Probability	Impact	Mitigation
Low uptake in procurement	Low	Medium	The GLA have a long list of relevant consultants who have expressed interest.
Low uptake in steering group	Low	Medium	The GLA have an established relationship with a long list of suitable stakeholders who have expressed interest to shape the business plan.

5. Financial comments

- 5.1 The estimated cost of £20,000 for this initiative will be funded from the Development, Enterprise & Environment Central Programme budget allocation for 2016-17. Any changes to this proposal, including budgetary implications will be subject to further approval via the Authority's decision-making process. All appropriate budget adjustments will be made.

6. Planned delivery approach and next steps

- 6.1 Approval is being sought for revenue expenditure of up to £20,000 to undertake a business plan for a programme to build local authority planning and regeneration capacity.
- 6.2 The commission will be wholly undertaken in 2016-2017
- 6.3 The Regeneration Team within the Development, Enterprise and Environment Directorate will be responsible for managing this project.
- 6.4 The Regeneration Team will undertake a competitive procurement process and assess at least three competitive quotes. Selection criteria will be set out including time, quality, cost and relevant experience to determine the most suitable consultant/ consultant team.

Outline timetable

Activity	Timeline
Prepare brief for business plan	August 2016
Establish steering group	August 2016
Procure brief	September 2016
Appoint consultants	September 2016
Steering group workshop with consultants	October 2016
Draft business plan	November 2016
Steering group workshop with consultants	December 2016
Final business plan	December 2016

Appendices and supporting papers:

The Mayor's Design Advisory group

<https://www.london.gov.uk/WHAT-WE-DO/regeneration/advice-and-guidance/supporting-better-design-mayors-design-advisory-group>

The 'Shaping London' paper, which sets out the case for supporting boroughs with the Place Agency, demonstrates the borough need, and confirms the recommendation to establish a Place Agency (pages 1-17)

https://www.london.gov.uk/sites/default/files/shaping_interactive.pdf

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:**

Matthew Turner has drafted this report in accordance with GLA procedures and confirms that the Finance and –if relevant– Legal teams have commented on this proposal as required, and this decision reflects their comments.

HEAD OF FINANCE AND GOVERNANCE:

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

Signature:



Date:

17.08.16