

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2259

Title: Disposal of Branch Road site

Executive Summary:

The GLA owns a parcel of land on Branch Road in Tower Hamlets E14. There are significant constraints to the site including the Limehouse Link running beneath, the Rotherhithe approach immediately to the north and the Cycle superhighway 3 running across the middle. In light of these constraints and the relatively small size of the site (0.21ha), previous attempts to procure a development partner have failed. Following negotiations, a direct offer has been made by the London Borough of Tower Hamlets (LBTH) to purchase the site. This decision form seeks approval to appoint a valuer to confirm that disposal at the offer price would meet best consideration requirements. If and when confirmed, a further Mayoral Decision will then be sought to dispose of the site.

Decision:

That the Head of Area (North East) approves:

Expenditure of up to £30,000 on the services of a RICS registered valuer to undertake a Red Book valuation of the site and other related work to confirm that the offer received meets best consideration requirements.

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 Neil Hook

Position: Head of Area (North East)

Signature: 

Date: 4th Sept 18

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 The 0.21ha site is located in London Docklands, within the London Borough of Tower Hamlets (LBTH). It is situated to the south of Limehouse DLR station and forms a triangle of land between the Rotherhithe Tunnel Approach, Horseferry Road and Branch Road. A red line boundary plan of the site is included at Appendix 1.
- 1.2 The site is an informal grassed area traversed by a footpath and Cycle Superhighway 3 and is within an area that is largely residential in character. Access roads (Branch Road and Horseferry Road) are quiet however the Rotherhithe Tunnel Approach Road to the north is noisy and polluted and is a constraint to development. The Limehouse Link runs beneath the site and due to necessarily strict controls imposed by TFL with regard to piling or other earthworks, the depth of foundation permissible above the tunnel is limited.
- 1.3 As a result of a previous failed procurement, alternative options were considered, including direct disposal of the land.
- 1.4 An informal offer was received on 31 July 2018 from a public sector body.
- 1.5 Given previous valuations and the difficult in progressing this site it is believed that this is a good offer that meets best consideration requirements and is the most effective way to bring forward affordable housing on the site.
- 1.6 Approval is therefore sought to appoint a valuer to undertake the necessary work to appraise the offer from LBTH and ensure it meets best consideration requirements.
- 1.7 The valuer will be appointed via a three quote tender through the TFL procurement framework.
- 1.8 Should the offer be acceptable, a further Mayoral Decision will then be sought to dispose of the site.

2. Objectives and expected outcomes

- 2.1 Disposal of a constrained site for a sale price that meets the GLA's obligations on securing Best Consideration and facilitates the delivery of additional affordable housing units will contribute to the Mayors commitment to meeting the challenges of economic and population growth and delivering genuinely affordable homes for Londoners.

3. Equality comments

- 3.1 The GLA's Public Sector Equality Duty has been considered in relation to this recommendation and no specific issues have been identified as a result. Positive contributions to equality have been considered through the Accessible London SPG which requires all new housing to be built to 'The Lifetime Homes' standard and for ten per cent of new housing to be wheelchair accessible, or easily adaptable for residents who are wheelchair users.
- 3.2 The allocation of affordable housing units will be administered by LBTH in line with their allocations scheme which includes an equalities statement confirming their commitment to eliminating discrimination.

4. Other considerations

a) Key risks and issues

- 4.1 Given the constraints outlined above and the difficulties experienced during previous attempts to dispose of the land, there is a significant risk that a viable proposal for the site might not be found. Given that an offer has been made by a party confident they can bring forward the site it is proposed that the land is disposed to them as a "special purchaser" to enable much needed housing to be delivered without further delay.
- 4.2 Were a requirement to undertake another full procurement exercise stipulated there is a high chance that the current offer may be withdrawn and any alternative options put forward could result in similar barriers to those previously encountered reoccurring.

b) Links to Mayoral strategies and corporate priorities

- 4.3 The provision of affordable units will help realise the Mayor's objective for meeting the challenges of economic and population growth.

c) Impact assessments and consultations

- 4.4 Statutory consultation will be required through the planning process.
- 4.5 A previous options appraisal has confirmed that housing can be delivered on the site. The party who have made the direct offer will carry out the required studies and assessments as part of their due diligence when bringing this site forward.

5. Financial comments

- 5.1 This decision seeks approval for expenditure of up to £30,000 to purchase the services of a RICS registered valuer to undertake a Red Book valuation of the site to confirm that the informal offer price meets best consideration for the GLA.
- 5.2 The expenditure will be taken from the H&L Land & Property Portfolio budget and will be spent in 2018/19 financial year.

6. Legal comments

- 6.1 Section 30 of the Greater London Authority Act 1999 (as amended) (GLA Act) gives the Mayor a general power to do anything which he considers will further one or more of the principal purposes of the GLA as set out in section 30(2) which are:

- i. Promoting economic development and wealth creation in Greater London;
- ii. Promoting social development in Greater London; and
- iii. Promoting the improvement of the environment in Greater London

and, in formulating the proposals in respect of which a decision is sought, officers confirm they have complied with the GLA'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 in Greater London, promote the reduction of health inequalities between persons living in Greater London, contribute towards the achievement of sustainable development in the United Kingdom and contribute towards the mitigation of or adaptation to climate change in the United Kingdom; and

- consult with appropriate bodies.

- 6.2 In exercising the power contained in section 30(1) of the GLA Act, the GLA must have regard to the matters set out in sections 30(3-5) and 33 of the GLA Act, and also the Public Sector Equality Duty in section 149 of the Equality Act 2010.
- 6.3 The housing shortage in London disproportionately negatively affects people with certain protected characteristics under the Equality Act 2010, and therefore increasing the supply of housing and affordable housing will help to achieve positive impacts in line with the needs of those with such protected characteristics (as set out in Section 2 above).

7. Planned delivery approach and next steps

Activity	Timeline
Appoint valuer	August 2018
Mayoral decision	September 2018
Disposal	October 2018

Appendices and supporting papers:

Appendix 1: Red line boundary of Branch Road site

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? YES

If YES, for what reason:

To prevent the inflation of any quote provided through knowledge of the maximum ceiling allocated

Until what date: 31 September 2018

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:

Ed Richards 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 28 August 2018

HEAD OF FINANCE AND GOVERNANCE:

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

Signature



Date

28.08.18

