

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2114

Small Sites Small Builders Programme – Initial Project Budget

Executive Summary:

The GLA's Housing & Land and Regeneration Teams are developing a programme to bring small publically owned sites forward for residential-led development and invigorate the small builders/developers market.

The programme is in the development stage and budget is required to obtain external legal and consultancy advice to support the development of the programme.

Decision:

That the Executive Director of Housing & Land approves £65,000 of early project expenditure as detailed in this paper.

AUTHORISING DIRECTOR

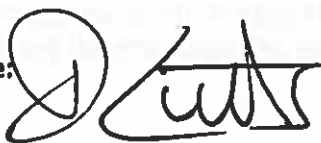
I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: David Lunts

Position: Executive Director of Housing and Land

Signature:



Date:

05/05/17

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

The GLA's Housing & Land and Regeneration Teams are developing a programme to bring small publically owned sites forward for development in London and invigorate the small builders/developers sector.

The programme will provide a bespoke, simple and standardised process to deliver these sites into the market and will provide a standardised set of contracts to enable the delivery of residential-led development on these sites.

While larger development sites will continue to play a significant role in providing new homes in London, smaller sites and smaller builders have the capacity to make a significant contribution to new supply in London. The Strategic Housing Land Availability Assessment (SHLAA, 2013) estimates capacity for around 100,000 units over the next ten years on sites of less than 0.25ha.

Despite this untapped capacity, smaller sites, including those in public ownership, are often underutilised and there are many barriers to these sites coming forward for development. Responding to this, GLA officers are working up a programme to tackle this issue. The aim of this programme is to devise and deliver a simple process which has the two interrelated aims of:

- Bringing small publically owned sites forward for residential-led development;
- Invigorating new and emerging sources of supply including small developers, small housing associations and community led groups.

Whilst still at the scoping stage, it is anticipated that the programme will:

- Offer some resourcing support to public landowners to enable them to review their land portfolio to identify small sites which are available for disposal and to assess their development potential;
- Offer support in preparing sites for the market;
- Develop a simple, bespoke on-line portal for small sites to be marketed through, creating a live, centralised database of small public sites available in London;
- Encourage small builders to sign up to this portal in order to access the information packs and bid for public sites;
- Offer standardised criteria which bids can be evaluated against and a standardised set of contracts for the sale and development of the sites. The arrangements will not trigger the need for an OJEU procurement;
- Explore a range of approaches for land payment;
- Provide a limited amount of funding for capital works on small publically owned sites to unlock development.

A comprehensive soft market testing exercise will be undertaken in April/May with public land owners, small builders and their lenders to ensure the proposals meet their requirements. In summer, a programme pilot will be launched to test the process.

The programme is in the development stage and officers require £65,000 to obtain:

- External legal support to review and advise on the procurement and state aid implications of the programme proposals and draft heads of terms and the standard contract documents to be used in the programme;

- External property advice to review the contracts, test the land payment arrangements proposed under the programme and to deliver a series of soft market testing events in May.

This programme will be funded through the Growth Deal 3 capital grant allocation of £13.4m which spans 2017/18 to 2020/21. This funding is not available until late April 2017 following LEAP endorsement and a Mayoral Decision. The advice described above is needed now in order to maintain momentum and drive the Programme forward.

2. Equality comments

It is not anticipated that the recommendations in this paper will have a negative impact on any groups identified under the Equality Act 2010.

3. Legal comments

No other significant legal implications concerning the giving of consent require reporting which are not mentioned elsewhere in his report.

4. Finance Comments

This decision requests approval for an expenditure of £65,000 to obtain external legal and consultancy advice to support a programme for bringing small publically owned sites forward for residential-led development and invigorating the small builders/developers market.

The requested expenditure is earmarked from Housing & Land's Management and Consultancy budget in 2017/18 financial year.

5. Planned delivery approach and next steps

Activity	Timeline
Procure legal and property advisors	March 2017
Programme soft market testing	May 2017
Programme Pilot	Summer 2017
Pilot Evaluation	September 2017
Programme Launch	Late 2017

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:**

Lauren Noble 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.

Assistant Director/Head of Service:

Simon Powell 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.

Corporate Investment Board:

The Corporate Investment Board reviewed this proposal on 2 May 2017.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature



Date

2.5.17