

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2469

Title: London Business Rates Pool - Industrial Intensification Delivery Strategies Appointment of Design Team, for Empson Street & Ailsa Street, and Canning Town and Blackwall (3 & 4 of 6)

Executive Summary:

Mayoral Decision 2363 (MD2363) approved the allocation of £90.89 million from the Strategic Investment Fund to 13 projects, including £1 million to fund Industrial Intensification Delivery Strategies. In addition, MD2363 delegates authority for detailed project level approval to the relevant Executive Director through Director's Decision (DD).

This DD seeks approval of revenue expenditure of £130,000 to appoint the successful design team, to provide design and masterplanning services for two pilot locations in the London Borough of Tower Hamlets and the London Borough of Newham. The design team will be selected following a competitive procurement process. The funding for this commission will be drawn from the £1 million allocation described above.

Decision:

That the Interim Deputy Executive Director of Housing and Land approves:

Expenditure of £130,000 from the £1 million approved allocation for the Industrial Intensification Delivery Strategies contained within the Strategic Investment Fund to appoint a design team to provide Masterplanning services for two pilot locations.

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: Rickardo Hyatt

Position: Interim Deputy Executive Director, Housing and Land

Signature:



Date:

17 March 2020

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. The Mayor, the London boroughs and the City of London Corporation, with the agreement of the government, established the London Business Rates Pool for 2018-19. The Mayor's agreement to the GLA's participation in the pool was set out in Mayoral Decision 2217. The main financial benefit of the pool is that London retains 100 per cent of any growth in business rate income over and above the baseline set by central government.
- 1.2. The Mayor secured agreement with the government to commit the GLA's share of the net additional benefit of pooling on strategic investment projects. In accordance with this agreement, the Mayor created a £112 million Strategic Investment Fund (SIF) to support strategic projects.
- 1.3. MD2363 approved an allocation of £90.89 million from the Strategic Investment Fund. The Industrial Intensification Delivery Strategies were awarded £1 million of funding to enable the development of modern industrial floorspace and new affordable homes, to meet the objectives of the draft London Plan.
- 1.4. The Industrial Intensification Delivery Strategies will provide a deliverable framework and design proposition for how sites on industrial land (designated and non-designated) can be intensified and consolidated to protect and enhance capacity, whilst allowing for release in parts to accommodate housing delivery to meet multiple objectives.
- 1.5. The funding has been allocated to prepare up to six delivery focused strategies for large areas of industrial land across London with capacity for up to 18,000 new homes and 144,000 square metres of industrial space. The strategies are intended to build planning confidence of partners to deliver projects through industrial intensification, in accordance with policy E7 of the London Plan (intend to publish version). The strategies will help both the relevant London Boroughs and GLA implement policy to facilitate affordable housing and deliver intensified industrial capacity to serve London's economy.
- 1.6. The project value was estimated based on specialist inputs, including design teams and a multi-disciplinary commercial team providing agency, delivery and planning advice.
- 1.7. The commercial team was appointed to advise on all six pilot areas (DD2283) with the sequential appointment of design teams for each pilot area to complete masterplans. This DD approves the expenditure for appointment of a design team for two pilot locations at a cost that is within the budget allocated for this specialist input.
- 1.8. GLA officers are procuring this work through the GLA's Architecture Design and Urbanism Panel 2 framework, which TfL procurement are leading for the GLA. The London Borough of Newham and London Borough of Tower Hamlets are involved in the procurement process and representatives are scoring the bids and are on the moderation panel. The successful design team would enter into a contract with the GLA to complete the commission in accordance with their tender submission and agreed price.

2. Objectives and expected outcomes

- 2.1. There are two sites in close geographical proximity, which the appointed design team will masterplan. One design team will be selected to allow for a holistic approach to design and industrial provision for these areas, to achieve the wider regeneration aspirations of this region of the Lower Lea Valley. The sites can be viewed in the appendix to this report.

- 2.2. The Canning Town and Blackwall pilot area is largely situated within the London Borough of Newham and extends to the London Borough of Tower Hamlets. The outcomes of the work are to:
- test the development capacity and optimised form of employment-led development of the industrial sites to inform the Royal Docks and Beckton Riverside Opportunity Area Planning Framework (OAPF);
 - deliver proposals to maximise land use and inform a business case for investment and potential land acquisition; and
 - generate design guidance that can inform future planning applications, the emerging LB Tower Hamlets Area Action Plan (AAP) and optimise residential and industrial capacity whilst protecting the integrity and functionality of industrial sites.
- 2.3. The Empson Street and Ailsa Street pilot area is situated solely in the London Borough of Tower Hamlets. The outcomes of the work are to:
- refine and test the most appropriate form of industrial intensification and development on Empson Street, seeking to maximise capacity of the Strategic Industrial Land (SIL);
 - inform the Borough's business case to delivery housing on a number of council-owned assets which may be unlocked by intensification of Empson Street; and
 - test development options at Ailsa Street that retains the waste use.
- 2.4. The work may support land acquisition, land assembly and investment by the GLA, the Local Authority, landowner or investment partner of the GLA. The Delivery Strategies and Masterplans will seek to reduce planning risk and demonstrate deliverable and compliant proposals.

3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010, as public authorities, the Mayor and the GLA are subject to a public-sector equality duty and must have 'due regard' to the need to (i) eliminate unlawful discrimination, harassment and victimisation; (ii) advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and (iii) foster good relations between people who share a relevant protected characteristic and those who do not. Protected characteristics under section 149 of the Equality Act are age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status.
- 3.2. Throughout the decision-making and project design process, due regard has (and will be) had to the 'three needs' outlined above. The industrial sector employs hundreds of thousands of people in London; potential intensification of industrial land use will protect jobs in the industrial sector and retain a resilient economy that serves Londoners. The housing shortage in London disproportionately negatively affects people with certain protected characteristics; increasing the supply of housing and affordable housing will help to achieve positive impacts in line with the 'three needs'.

4. Other considerations

Key risks and issues

- 4.1. There are no key risks or issues that need to be assessed, that are not mitigated by the procurement process.

Links to Mayoral strategies and priorities

- 4.2. Good growth, as outlined in the London Plan (intend to publish) –protection of London’s industrial sector is pivotal to the success of London’s economy, in serving residents and businesses as well as creating value through production of goods. The masterplans at Canning Town and Blackwall, and at Empson Street and Ailsa Street would meet all the key pillars of Good Growth; through making the best use of land, growing a good economy that is resilient to change. The design team will demonstrate the principles of good growth in their Masterplanning outputs.
- 4.3. Industrial protection and intensification –a key aspect of the London Plan (intend to publish) is policy E7 that marks a significant departure from previous London Plans. The masterplans are intended to bring forward development in accordance with policy E7. The design team will work in accordance with the GLA’s Practice Note on industrial intensification.
- 4.4. Affordable housing delivery - The proposals should deliver a minimum of 35% affordable housing, which reflects the policy position in the London Plan (intend to publish) for industrial sites not in public sector ownership. Adopting a comprehensive approach would optimise quantum and quality of affordable housing delivery.
- 4.5. Housing delivery -The London Plan (intend to publish) has a 10-year housing target of 522,850, which per year is a 52,285 target. The masterplans will help to contribute towards this target.

Impact assessments and consultations

- 4.6. There has not been any impact assessment or consultation, beyond the procurement process.

Conflicts of Interest

- 4.7. All potential conflicts of interest have been reviewed in relation to this Director Decision and there are no conflicts of interest to declare including by those involved in drafting the Decision.

5. Financial comments

- 5.1. This decision requests approval for expenditure of £130,000 to appoint one design team to masterplan two pilot areas.
- 5.2. The above expenditure will be funded from the £1 million allocation approved by MD2363 from the Strategic Investment Fund and will be incurred in 2020/21.

6. Legal comments

- 6.1. Under section 30(1) of the Greater London Authority Act 1999 (as amended) (“GLA Act”), the GLA has the power to provide the funding for the proposed intervention providing it considers that doing so will further one or more of its principal purposes of: promoting economic development and wealth creation, social development, and the improvement of the environment in Greater London.
- 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) including the impact on health, health inequalities, sustainable development and climate change and its consequences and equality under section 33 of the GLA Act and section 149 of the Equality Act 2010, which is set out above.
- 6.3. Transport for London (TfL) are managing the procurement process on behalf of the GLA and are responsible for drafting the contract with the successful bidder.

7. Planned delivery approach and next steps

7.1. The planned delivery approach and next steps for this project are outlined in the table below.

Activity	Timeline
Procurement of contract	Mid-March 2020
Commission Start Date	April 2020
Commission End Date	August 2020

Appendices and supporting papers:

Appendix 1 – Site Plan

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:

The Delivery Strategies are commercially sensitive, as they could cause speculation in land values for selected sites. To avoid public interest, it is proposed that no announcements are made, or anything placed in the public domain until they have been completed.

Until what date: December 2020

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:

Sarah Birt has drafted this report in accordance with GLA procedures and confirms the following:

✓

Assistant Director/Head of Service:

Nick Taylor 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

This decision was agreed by the Corporate Investment Board on the 16 March 2020.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. J. Birt

Date 16.3.20