

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD1383

Title: Thames Tideway Tunnel Planning Service Level Agreement

Executive Summary:

To Execute a Transfer of the Planning Service Level Agreement between the GLA and Thames Water in respect of the Thames Tideway Tunnel Project that was signed in November 2014.

Following a competitive tender process, OfWAT has now appointed Bazalgette Tunnel Limited, to be the Infrastructure Provider. Therefore the terms of the PS LA needs to be transferred from Thames Water to Bazalgette Tunnel Limited.

The signature of the Executive Director for Development, Enterprise and Environment and the official Seal of the GLA is required on 3 copies of the document.

Decision:

The Executive Director for Development, Enterprise and Environment approves the GLA transferring the Planning Service Level Agreement (PSLA) for the Thames Tideway Tunnel Project from Thames Water to Bazalgette Tunnel Limited.

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: Fiona Fletcher-Smith

Position: Executive Director, Development, Enterprise and Environment

Signature: PP 

Date: 20/08/15

PART I – NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 The Project was given approval by the Government in September 2014.
- 1.2 The Mayor has set out his support for the Project within the London Plan, Climate Change Adaptation Strategy, Water Strategy and most recently in the 2050 London Infrastructure Plan, as well as through his written and verbal representations to the Planning Examination into the project which was held by the Planning Inspectorate from Sept 2013-March 2014.
- 1.3 The Project is expected to take 7 years to construct – from 2016 to 2023
- 1.4 In the immediate run up to, and during the construction period, there will be an ongoing need for meetings, information exchange, document review and discharge of planning conditions (known within this application as Requirements). This engagement will be co-ordinated and led by a Principal Policy & Programme Officer in the Development, Enterprise & Environment Directorate and is likely to involve a range of GLA staff from the Planning and Environment Teams, and conceivably from other teams. It is currently estimated that this will average around 20 days of work in total from approximately 3-5 staff per year. The required time may need to be in dedicated bursts rather than being evenly spread throughout a year.
- 1.5 The PSLA sets out an agreed protocol and series of timescales in which these activities will take place. These apply to the GLA, London Boroughs and Thames Water (or the Infrastructure Provider and contractors who will deliver the Tunnel). GLA and London Borough officers have agreed the wording of the PSLA with Thames Water representatives.
- 1.6 The PSLA provides a mechanism for the GLA to reclaim the cost of officer time spent working on the Project (within certain limits).
- 1.7 It was always envisaged that a separate company would be established to be the Infrastructure Provider to build, operate and maintain the Tunnel. Following a competitive tender process, OfWAT has now appointed Bazalgette Tunnel Limited, to be the Infrastructure Provider.
- 1.8 Therefore the terms of the PSLA needs to be transferred from Thames Water to Bazalgette Tunnel Limited. The terms of the PSLA remain unchanged and over the past 6 months have been shown to work well with the GLA expecting to claim approximately £2500 for staff costs during that period. The original PSLA was signed by the GLA following approval under DD1289.
- 1.9 TfL has a similar (but separate) arrangement due to the range and variety of interaction that is likely between TfL and the Project.
- 1.10 PSLAs are a relatively common form of agreement between developers and planning authorities and are aimed at ensuring a smooth and efficient planning and delivery of major developments.

2. Objectives and expected outcomes

- 2.1.1 The PSLA will set a clear process for GLA engagement for the next stages of the Project.

- 2.1.2 The GLA will also be able to reclaim the cost of officer time spent working on the next stages of the Project.
- 2.1.3 There are limitations to the extent to which the GLA can reclaim the cost of staff time. In principle this excludes the ability to reclaim time spent in objecting to or opposing the project. This is a normal provision of PSLAs. However, there are no restrictions that prevent GLA officers from opposing any aspect of the Project, if that is felt to be necessary, it is just that the costs for doing so will not be met by Bazalgette Tunnel Limited.

3. Equality comments

- 3.1 This recommendation will enable GLA officers to engage with Bazalgette Tunnel Limited (or its representatives) officers. No adverse impacts are identified for the proposed programme of works described in this DD.

4. Other considerations

- a) Links to strategies and Mayoral and corporate priorities
The Project is supported in the London Plan, Climate Change Adaptation Strategy, Water Strategy and 2050 London Infrastructure Plan.
- b) Impact assessments and Consultation
No impact assessment or consultation has been undertaken as this is a normal aspect of the planning process for large development projects.
- c) Risk

The project is low risk.

- i. It is possible that the GLA could miss the agreed deadlines for correspondence, meetings etc contained within the PSLA. This could mean that Bazalgett Tunnel Limited refuse to pay for GLA time spent on the Project. This would essentially put the GLA in the same position as if there were no PSLA.
- ii. There may be an external perception that the GLA is too close to the developer of the Project. This is a relatively normal part of the planning process and the Project has already been approved by Government.

5. Financial comments

- 5.1 Approval is being sought for the Executive Director of Development, Enterprise and Environment to sign and seal a planning service level agreement with Thames Water in respect of the Thames Tideway Tunnel (TTT) project.
- 5.2 There will be no financial contribution from the GLA for the project apart from staff resource time, which the GLA will reclaim from Thames Water or the Infrastructure Provider. The estimated cost of officer time spent working on the next stages of the TTT process is up to approximately £10,000 per year (based on Thames Water offering a default rate of £65 per hour for Principal Grade Officers (grade 10) for 148 hours of work per annum. The amount of work by GLA officers is likely to decline from around 2017 as the project gets into full construction mode, so this amount maybe less for the latter years.

- 5.3 Officers should ensure relevant agreements are place and invoices are raised in a timely manner to reclaim officer time mentioned above.
- 5.4 If part of this project relates to contracts, officers have to ensure that the requirements of the Authority's Contracts & Funding Code are adhered to. Also if any contracts are consultancy based, officers also have to ensure that the requirements relating to consultancy services within the Authority's Financial Regulations and Expenses & Benefits Framework are adhered to.
- 5.5 Any changes to this proposal must be subject to further approval via the Authority's decision-making process.
- 5.6 The Environment Team within the Development, Enterprise & Environment Directorate will be responsible for managing this project

6. Legal comments

- 6.1 The foregoing sections of this report indicate that the decision requested of the Executive Director falls within the GLA's statutory powers to do such things as are considered to further, or which are facilitative of, conducive or incidental to the promotion of the improvement of the environment in Greater London. In this case the execution of the transfer of the Planning Service Level Agreement from Thames Water to the Infrastructure provider known as Bazalgette Tunnel Limited may be viewed as being calculated to facilitate and conducive to the exercise of its functions as set out above.
- 6.2 In formulating the proposals in respect of which a decision is sought officers have complied with the Authority's related statutory duties to:
 - (a) pay due regard to the principle that there should be equality of opportunity for all people;
 - (b) consider how the proposals will affect:
 - i. the health of persons in greater London,
 - ii. the health inequalities between persons living in Greater London;
 - iii. the achievement of sustainable development in the United Kingdom; and
 - iv. climate change, and the consequences of climate change; and
 - (c) consult with appropriate bodies.
- 6.4 Officers must ensure that a suitable system for recording time spent on the project and invoicing Thames Water is put in place

6. Planned delivery approach and next steps

Execute Planning Service Level Agreement	November 2014
Transfer PSLA from Thames Water to Bazalgette Tunnel Limited	July/Aug 2015
Officers engage with the Project and claim back the costs of staff time	2014-2023

Appendices and supporting papers:

Transfer Agreement

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 to
confirm the
following (✓)

Drafting officer:

Kevin Reid has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service:

Patrick Feehily has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Financial and Legal advice:

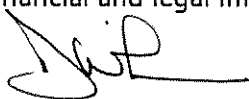
The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature



Date

18 August 2015

PP M. CLARKE

