

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2466

Title: Armada 2 Expenditure

Executive Summary:

Armada 2 is a vacant site, in the east of the Royal Docks, London Borough of Newham. The site is one of the last remaining unprocured land opportunities available for development in GLA Land and Property Limited's (GLAP) Royal Docks portfolio.

This Director Decision (DD) seeks approval for expenditure of up to £110,000 to fund site due diligence works, assess development potential, architect fees, commercial/strategic consultancy, site valuations, report on title and associated legal work.

Expenditure will be accommodated within GLAP budgets and will be used in advance of a more detailed disposal strategy.

It should be noted that Assistant Director Decision (ADD) 271 approved initial project expenditure of £45,000 in February 2015 (of which £11,667 was spent from the in-year budget). This was to be spent over the period 14/15-15/16 and is no longer available. New expenditure is therefore requested for approval.

Decision:

That the Executive Director of Housing & Land approves:

Expenditure of up to £110,000 on the items listed in this Decision Form (paragraph 1.5).

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 of 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. Armada 2 is a vacant site in the Royal Albert Basin, to the east of the Royal Docks, London Borough of Newham (Appendix 1). A site plan is included at Appendix 2. The site is approximately 2.8 hectares and is one of the last remaining unprocured land opportunities available for development in GLAP's Royal Docks portfolio.
- 1.2. The site has a number of challenges, most notably its northern boundary which is safeguarded for a potential Beckton Reach River crossing (Appendix 3). This has reduced the sites long-term developable area. This paper therefore outlines a strategy to assess the opportunity for both residential, mixed-use (school, residential, commercial) and meanwhile proposals for the site, whilst a decision on the River Crossing is made.
- 1.3. Following this assessment and associated design and consultancy, a strategy will be presented for consideration.
- 1.4. This Directors Decision (DD) seeks approval for additional expenditure of £110,000 to develop this strategy.
- 1.5. Expenditure will be used as follows (all figures indicative):
 - Architecture Fees & Design Guidance - £30,000
 - Site Due Diligence - £25,000
 - Commercial/Strategic Consultancy - £25,000
 - Report on Title - £5,000
 - Site Valuation - £10,000
 - Legal Fees - £15,000

Total = £110,000
- 1.6. It should be noted that ADD 271 approved initial project expenditure of £45,000 in February 2015 (of which £11,667 was spent from in year budget). This was to be spent over the period 14/15-15/16 and is no longer available. New expenditure is therefore requested for approval.
- 1.7. The £11,667 of ADD271 was used to fund a feasibility study testing the suitability of the site for a two-form entry school. This study showed that the school could be delivered with additional capacity for housing, but did not explore this additionality, nor consider the site for associated meanwhile or commercial uses. Therefore, this paper proposes that the additional funding provided will build upon and update the original study to consider these options.
- 1.8. Expenditure will be used to complete associated outputs from ADD271, as well as provide new funding to undertake a wider feasibility study and site due diligence.
- 1.9. The cumulative budget on the project will therefore be £121,667 (£11,667 + £110,000).
- 1.10. Expenditure will be accommodated within GLAP budgets and will be used in advance of a more detailed disposal strategy. Expenditure will be spent in 2020/21.

2. Objectives and expected outcomes

- 2.1. The objective of this work is to ensure that detailed due diligence is undertaken on the existing characteristics and future potential of the site in advance of developing a more detailed disposal strategy. Funding will identify the pre-requisites for any disposal strategy, generating enough

information and guidance so to deliver a high-quality, locally responsive and appropriate proposal. It will set the parameters and requirements for the sites development and help to develop detailed expectations from the outset.

- 2.2. Proposals will also consider how the site integrates into the wider area and the local Opportunity Area Planning Framework (OAPF). This will include working with local stakeholders and development partners to help co-ordinate masterplanning of Beckton Riverside.

3. Equality comments

- 3.1. Under Section 149 of the Equality Act 2010, as a public authority, the GLA must have 'due regard' of the need to:
- eliminate unlawful discrimination, harassment and victimisation; and
 - advance equality of opportunity and foster good relations between people who have a protected characteristic and those who do not.
- 3.2. The protected characteristics under Section 149 of the Equality Act 2010 are age, disability, gender and gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation and marriage or civil partnership status.
- 3.3. The housing shortage in London disproportionately affects people with certain protected characteristics. Increasing the supply of housing, in particular affordable housing, will help to achieve positive impacts in line with the needs outlined above.
- 3.4. This Decision Form has considered the impacts on equality considerations and has concluded that, as the decision being taken is financial in nature (which will be used to fund feasibility/site due diligence works) there are no immediate impacts on those with protected characteristics.
- 3.5. However, design work and due diligence will be led by best practice to have due regard for areas such as designing for accessibility and inclusivity, and promoting workplace diversity. Furthermore, procurement processes and future development proposals will be delivered in line with GLA guidelines and statutory obligations. All future disposal strategies and development proposals will consider impacts on protected characteristics.
- 3.6. The development of Armada 2 will implement a number of the Mayor's policies such as the draft London Plan and A City for All Londoners. Where housing is proposed a minimum of 50% affordable homes will be delivered. Housing tenure split will additionally be stipulated to meet local borough policy, therefore increasing the supply of genuinely affordable homes. This will advance the equality of opportunity and seek to protect relevant groups.
- 3.7. There is a high proportion of young people in the London Borough of Newham compared to other London Boroughs. Armada 2 will consider the feasibility of delivering a primary school. As part of this procurement the GLA will engage with the London Borough of Newham to ensure that the education provision meets the borough's needs and is set out early within the procurement process.
- 3.8. Proposals will look to deliver against strategic objectives from the Mayor's Equality, Diversity and Inclusion Strategy (section: making London a great place to live).
- 3.9. The professional appointments, due to their financial nature, will have no negative impact on those with protected characteristics. Work will be procured in line with GLA best practice and in the delivery of our statutory obligations. It is considered that this Decision will not adversely impact groups of people with a protected characteristic.

4. Other considerations

Key risks and issues

- 4.1. The site has a number of challenges including safeguarded land, contamination, close proximity of light-industrial uses and flood risk. This could impact on development potential, viability and proposals.
- 4.2. The site has been earmarked for educational uses by the London Borough of Newham which will require careful consideration for a mixed-use proposal.

Mayoral strategies and priorities

- 4.3. The site will support Mayoral commitments. This will in part depend on the most appropriate mix of uses identified for the site. For example, the site could deliver new high-quality and genuinely affordable homes, promote new educational opportunities, as well as generate employment, commercial benefit and local social value.
- 4.4. Proposals will consider how the site integrates into the wider area and the local OAPF. This will include working with local stakeholders and development partners to help co-ordinate masterplanning of Beckton Riverside.

Consultation and impact assessments

- 4.5. Relevant internal and external stakeholders will be consulted, including local residents, the London Borough of Newham, local schools and education providers, development partners and organisations undertaking activity in the area.
- 4.6. The project will have due regard to data protection, health and safety, and safeguarding where relevant.

Conflict of interest

- 4.7. There are no conflicts of interest to declare for the officers involved in the drafting or clearance of this Decision form.

5. Financial comments

- 5.1. This decision requests approval for revenue expenditure of up to £110,000 to fund site due diligence works, assess development potential, architect fees, commercial/strategic consultancy, site valuations, report on title and associated legal work.
- 5.2. The above expenditure will be funded from the GLAP budget and is expected to be spent in 2020/21.

6. Legal comments

- 6.1. Section 30 of the Greater London Authority Act 1999 (as amended) ("the 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. The principal purposes, as set out in section 30(2) of the GLA Act 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:

- i. pay due regard to the principle that there should be equality of opportunity for all people;
- ii. 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
- iii. consult with appropriate bodies.

- 6.2. In exercising the power contained in Section 30 of the Act, the GLA must have regard to the Public Sector Equality Duty set out in Section 149 of the Equality Act 2010, which is explained further above.
- 6.3. Given the above, section 34 of the GLA Act which allows the Mayor to do anything which is calculated to facilitate or is conducive or incidental to the exercise of any of his functions, and the Mayor's powers under section 38 of the GLA Act to delegate to any GLA member of staff functions of the GLA that are exercisable by him, the foregoing sections of this report indicate that the GLA has the power to make the requested decision.
- 6.4. GLAP should obtain full and proper legal advice for the transaction proposed in relation to the site.

7. Planned delivery approach and next steps

- 7.1. The following sets out a high-level programme for how the project will be delivered.

Activity	Timeline
Procurement of feasibility studies and due diligence	May/June 2020
Strategy identification	September - December 2020
Target date for site disposal	Summer 2021

Appendices and supporting papers:

Appendix 1: Location Plan

Appendix 2: Site Plan – Armada 2

Appendix 3: Beckton Reach River Crossing – Safeguarded Corridor

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 contracts have yet to be procured and as such it would prejudice the GLA achieving value for money

Until what date: 30/6/2020

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:

Andrew McVitty has drafted this report in accordance with GLA procedures and confirms the following:

✓

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

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

EXECUTIVE DIRECTOR, HOUSING & LAND:

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

Signature

M. D. Bllle

Date 16.3.20