

## PART 2 – CONFIDENTIAL FACTS AND ADVICE

**DD2244**

**Title: Industrial Intensification: Investment Advice**

*Information may have to be disclosed in the event of a request under the Freedom of Information Act 2000. In the event of a request for confidential facts and advice, please consult the Information Governance team for advice.*

**The information below is not for publication until the stated date, because:**

It contains commercially sensitive information relating to the price of the Tender, the procurement process and Savills' bid.

**Date** at which Part 2 will cease to be confidential or when confidentiality should be reviewed: **31<sup>st</sup> May 2018**

**Legal recommendation on the grounds of keeping the information confidential:**

The contents of Part 2 include sensitive information which relate to the GLAP's commercial interests, the disclosure of which could prejudice those interests. For those reasons it is considered that the information contained in this part of the decision is exempt from publication in reliance upon the exclusions contained in sections 42(1) (Legal Professional Privilege) and 43 (2) (Commercial Interests) of the FOI Act 2000 and because the public interest in withholding the information outweighs the public interest in releasing it.

**Legal Adviser** - I make the above recommendations that this information should be considered confidential at this time

**Title:** Legal Property Manager | Legal - General Counsel

**Date** 16/04/2018

*Once this form is fully authorised, this should be circulated with the Part 1 form.*

## Confidential decision and/or advice:

### Introduction and Background

- 1.1 The DD seeks approval for £70,690 plus VAT for commercial investment and agency advice for Savills to develop the strategic business case for GLA investment in industrial land and industrial intensification. The work will establish the return on investment metrics and create a financial model to test investment scenarios and potential development projects.
- 1.2 The competition brief went to four commercial agencies: CBRE, GVA, Lambert Smith Hampton and Savills. Two bids were received from Savills and GVA. The Tenders were evaluated using weightings of 60 per cent technical and 40 per cent price. The bids were assessed by three colleagues in Housing and Land. The Tenderer's were assessed on their written submission and clarification responses. The results are summarised as follows:

Company Name	Technical Score	Commercial Score	Total Score	Ranking
Savills UK Limited	45.00	40.00	85.00	1.00
GVA	40.00	28.48	68.48	2.00

- 1.3 Savills performed best in both the technical score and commercial score.
- 1.4 The GLA is considering the merits of investing in industrial land, whether that be to (i) play a role in ensuring London's industrial stock is fit for purpose; (ii) intensify land use to free up land for more affordable housing; (iii) break down barriers to optimise development potential of sites; and (iv) derive a financial return on investments. Such investment would utilise the Land Fund to purchase land or to invest alongside partners within projects.

### Objectives and expected outcomes.

- 1.5 The three objectives in the brief are to:
- Make the strategic business case for GLA investment in industrial land and industrial intensification;
  - Establish the return on investment metrics that GLA can work to through investment in industrial land and intensification of space; and
  - Model and scenario test to support the strategic business case.
- 1.6 The three objectives of the work will be structured around three deliverables:
- An industrial sector research report to provide commentary on industrial land use, letting and investment based on current and future trends for London.
  - A Mayoral Industrial Investment Strategy to define the why, the how much, the what, where and how the GLA may invest. It will define performance metrics of the investment activity and articulate the GLA's definition of a return on its investment. It will consider the role of investment, development and planning partners; and
  - A financial appraisal model to test viability of industrial intensification as part of mixed use development and build and monitor a portfolio of investments.
- 1.7 Appended is Savills' successful written submission, which details the proposed method and approach for undertaking the work.