

GREATER **LONDON** AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2104

Beam Park – Monitoring Costs

Executive Summary:

Beam Park is a GLAP-owned strategic housing development site which straddles the boundary of LB Havering and LB Barking & Dagenham. Following a procurement process using the London Development Panel, Countryside Properties (CPUK) were selected, working with L&Q, as preferred developer and a Development Agreement will shortly be entered into. In order to provide capacity to finance appropriate monitoring of the construction phase and legal obligations, an increase to the project budget of £150,000 is sought.

This is in addition to the previously approved £710,000 for historical costs associated with preparing for and undertaking the procurement and contracting of CPUK. The overall financial approval for Beam Park will, under this proposal, rise to £860,000.

Decision:

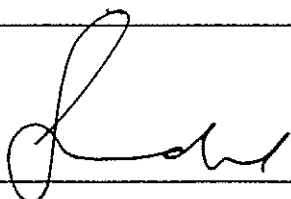
That the Mayor approves an increase in budget of £150,000 for appropriate monitoring and other costs associated with the construction of c2,800 homes at Beam Park in LB Havering and LB Barking & Dagenham.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision, and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

31/4/17

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

Beam Park is a 29ha brownfield site, formerly the site of Ford Dagenham's production facility and now owned by GLA Land and Property Ltd (GLAP). The site straddles both the London Boroughs of Havering (LBH) and Barking & Dagenham (LBBD). GLAP undertook a competitive procurement process for a development partner in 2015 and in early 2016 Countryside Properties (CPUK) with L&Q were selected as preferred developer. Since then GLAP and CPUK have been negotiating the Development Agreement for the site and in parallel, CPUK and L&Q have been engaged in pre-app discussions with LBBD and LBH and refining their master plan for the site.

Previous financial approval of £710,000 was granted via MD1365 (July 2014) for the cost of preparing the necessary information and procuring the appropriate advice to undertake a procurement exercise via the LDP. The costs of previous work were higher than expected and after review it is proposed to put in place additional budget to ensure appropriate monitoring. This MD seeks further budget approval for the associated costs of monitoring the performance of CPUK and L&Q under the Development Agreement. The historic costs are as follows:

- Initial site investigations (c£20k) which were high level and provided a basis for assessing the risk of contamination, the costs of remediating it and the impact on GLAP's land value. This initial work highlighted the need to do further more intrusive surveys and detailed analysis (see next item).
- Detailed site investigations and remediation strategy (c£535k) which progressed the initial site investigations and was crucial in reducing unknown risk, quantifying the remediation necessary and identifying mitigation options. By investing this money GLAP reduced uncertainty and this helped reduce caveats and contingencies from bidders' land price offer.
- Legal advice (£80k) to progress the title review (complex given the retained Ford interests), the preparation of the proposal to the LDP and advice on the procurement process itself.
- Property advice (£75k) to support the review of the procurement submission and the assessment of bids.

2. Objectives and expected outcomes

The Development Agreement with CPUK sets out a build period of 13 years (to 2030) on a complex and constrained site although the GLA will work with CPUK to seek to accelerate delivery where possible. During the construction process the historic contamination of the site will be dealt with and a new community of over 2,800 homes created. CPUK will work with L&Q to complete a minimum of 35% affordable housing on the site (included within the 2,800) and this will be spread across each of the phases with a tenure split that will reflect the respective requirements of LB Havering and LB Barking & Dagenham. The GLA will work with CPUK to explore routes to increasing the level of affordable housing towards 50%.

The budget request of £150,000 is intended to cover the following activities:

- Legal support (c£50k) – CPUK will draw down the land in phases by way of a Building Lease in line with the standard LDP methodology. Dentons (acting for GLAP) will be engaged to oversee this.
- Design review (c£20k) – during the procurement and subsequent master plan refinement GLAP has engaged the services of Gort-Scott architects to advise on design. This will continue to be relevant as each phase comes forward to ensure the highest standards of design are maintained.

- Access options (c£45k) – linking the new station with the surrounding area is important and GLAP is working with LBH and TfL to enable this. Further investment may be necessary to support this work.
- Adjacent sites (c£35k) – Beam Park is one of a series of residential development sites in this part of London Riverside and further work will be necessary to ensure subsequent developments knit together.

3. Equality comments

The public sector equality duty requires the identification and evaluation of the likely potential impacts, both positive and negative, of the decision on those with protected characteristics (age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation). There has been previous consideration of this development and its impacts and this will be further considered via the planning process.

The specific work outlined above has the potential to impact on those with protected characteristics since it may involve options for improving accessibility between this site, surrounding sites and the new station. This work will reflect the importance of ensuring accessibility for those with a physical disability. GLAP will work with LBBD, LBH and TfL to ensure any design work reflects this.

4. Financial comments

- 4.1 This decision requests approval for an increase in budget of £150k for monitoring and other costs at Beam Park. This addition will increase the overall budget for this project to £860k (up from £710k approved by MD1365).
- 4.2 Section 2 above outlines the breakdown of the requested expenditure that will be split over financial years as follows:
 - £20k in 2016/17 financial year. This expenditure is available from dedicated Beam Park budget within Housing & Land
 - £37k in 2017/18 financial year
 - £35k in 2018/19 financial year
 - £58k in future years

5. Legal comments

Section 30 of the Greater London Authority Act 1999 (as amended) (GLA 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 as set out in section 30(2) which 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:

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

Sections 1 and 2 of this report indicate that the Director of Housing and Land has the power to proceed as recommended in this paper.

6. Planned delivery approach and next steps

Activity	Timeline
Sign Development Agreement	March 2017
Start on site (Enabling Works)	Late 2017
Start on site (Phase One)	Mid 2018

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? YES

If YES, for what reason: Until the contract with the developer is agreed.

Until what date: 30 May 2017.

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:

Paul Creed has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

David Lunts has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

James Murray has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 27 March 2017.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. D. Allen

Date

27.3.17

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

D. Bellamy

Date

29/3/2017.

