

# Subject: The Regeneration of Royal Albert Dock

Report to: GLA Oversight Committee

Report of: Executive Director of Secretariat

Date: 11 December 2014

This report will be considered in public

## 1. Summary

- 1.1 To consider follow up action on the issues relating to Royal Albert Dock redevelopment scheme.

## 2. Recommendation

- 2.1 **That the proposal to convene an informal meeting in January 2015 to discuss the Assembly's future work on Royal Albert Dock and the issues it raises be agreed.**

## 3. Background

- 3.1 At its meeting on 19 November 2014, the Assembly considered a motion relating to the Mayor's procurement process at Royal Albert Dock <sup>1</sup> and agreed:

'The London Assembly Audit Panel (with authority delegated to the committee Chair in consultation with Group leads to agree the terms of reference) to:

- Launch a scrutiny session on the internal audit process undertaken by the Mayor in relation Royal Albert Dock development, and seek a commitment from the Mayor to appear before the Panel as part of the scrutiny.

The London Assembly Economy Committee and Planning Committee (with authority delegated to the committee chair(s) in consultation with group leads to agree the terms of reference) to:

- Launch a joint scrutiny session on the economic and planning aspects of Royal Albert Dock development, and seek a commitment from the Mayor to appear before the Committee as part of the scrutiny'.

- 3.2 On that day, immediately prior to the meeting, the Mayor had published an 'Interim Review of Royal Albert Dock Procurement' which was prepared by the internal audit services to the GLA. He said ...

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<sup>1</sup> The full text of the motion is attached as **Appendix 1**.

*'We thought we had better get it all ironed out. Today we published the internal audit report which provides what is called 'substantial assurance', which I am told is the strongest possible audit outcome. The finding is that there is particularly effective management of key risks contributing to the achievement of business objectives ... It is very, very clear that the procurement process was followed scrupulously, as I say, that the bid evaluation criteria and the weighting had a clear rationale and that all bidders were treated on the same basis'.*

3.3 Following this meeting, the London Assembly's Audit Panel considered the issue at its meeting on 2 December 2014. It heard that the 'Interim Review of Royal Albert Dock Procurement' was commissioned by the Mayor, focused primarily on the procurement process and was a desk-top exercise. The timescale for the investigation had been devised to ensure that the report would be ready for submission to the 10 December 2014 meeting of the Audit Panel. It did not look at issues of due diligence, nor did the report discuss in any detail London & Partners' involvement in the Royal Albert Dock scheme. The Audit Panel asked for some follow-up information including a list of all the documents the Internal Audit service had accessed and looked at as part of the internal audit on the Royal Albert Dock; and clarity as to which areas were covered by the audit and those areas and documents that were not.

#### **4. Issues for Consideration**

4.1 Assembly Members have been considering how to follow up a number of lines of inquiry with respect to Royal Albert Dock and the wider issues it raises. They are interested in:

- the Mayor's strategy with respect to inward investment;
- the Mayor's planning policies with respect to key regeneration sites;
- the funding of, and accountability arrangements for, London & Partners; and
- the procurement process with respect to Royal Albert Dock.

4.2 Rather than address these issues across a number of Committees, and in recognition that the range of topics does not fit neatly into the terms of reference for a single committee, it has been suggested that the Chair of GLA Oversight Committee convenes an informal meeting in early 2015 to discuss next steps. This meeting should include the Chairs and Deputy Chairs of the relevant committees (Audit, Planning, Economy, Regeneration, Budget and Performance) and any other Members who would wish to be involved.

#### **5. Legal Implications**

5.1 The Committee has the power to do what is recommended in this report.

#### **6. Financial Implications**

6.1 There are no financial implications arising from this report.

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**List of appendices to this report:**

Appendix 1 – Motion Text

**Local Government (Access to Information) Act 1985**

List of Background Papers:

None.

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**Motion agreed at the London Assembly Mayor's Question Time meeting on 19 November 2014**

"That the Assembly notes the answers to the questions asked.

"Further, the London Assembly is deeply concerned at the Mayor's failure to address fully concerns regarding the granting to Advanced Business Park (ABP) of the tender to develop the 35-acre site at the Royal Albert Dock, which includes 3.2 million square feet of office space, leisure facilities, and 845 residential flats.

"This Assembly is also troubled by the fact that, despite compelling evidence calling into question ABP's human rights record in China, neither the Mayor's Office nor London and Partners assessed ABP's human rights record as part of the evaluation process in respect of the Royal Albert Dock development. In particular, this Assembly is disappointed by the Mayor's recent admission that ABP's human rights record in China "wasn't relevant to the tendering process."<sup>2</sup>

"This Assembly notes the comments of Sir Alistair Graham, a former chairman of the Committee on Standards in Public Life, who has publicly stated that the tendering process "has the smell of a semi-corrupt arrangement..."<sup>3</sup>

"Given the gravity of the concerns raised by Channel 4 News' investigation into the Albert Docks Development, this Assembly calls on:

The Mayor to:

- Appoint an independent investigation into the tendering process and relationship between the Greater London Authority and allied agencies, and ABP, in the awarding of the Royal Albert Dock development.

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- Launch a scrutiny session on the internal audit process undertaken by the Mayor in relation Royal Albert Dock development, and seek a commitment from the Mayor to appear before the Panel as part of the scrutiny.

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<sup>2</sup> *Big questions for Boris over billion dollar property deal*, Channel 4 News, 13.11.14

<sup>3</sup> *Ibid*

“The London Assembly also notes revelations in the *Guardian* on 18.11.14 that Mayoral advisors have proposed cuts of up to 90% in funding for education and youth schemes – including mentoring, volunteering, supplementary schooling, healthy eating, and services for young people excluded from schools – targeted at some of London’s most deprived young people<sup>4</sup>.

“Given the extent of the proposed cuts, and the Mayor’s acknowledgement that the GLA “need[s] to scale up 10 times the efforts to ensure Londoners can compete successfully in a changing and competitive market place”<sup>5</sup>, this Assembly calls on the Mayor to reject the proposals of officers and deliver the funding vulnerable young Londoners need to avoid the trap of long-term unemployment and increased risk of offending.

“This Assembly also calls on the London Assembly’s Education Panel to conduct an urgent impact assessment of the proposed cuts.”

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<sup>4</sup> Syal. R & Muir. H, Boris Johnson to consider 90% funding cuts to youth and education schemes, *The Guardian*

<sup>5</sup> *Ibid*