

# GREATER LONDON AUTHORITY

## REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2020

### Title: Blackwall Phase 4 Valuation

#### Executive Summary:

This Assistant Director Decision seeks approval of expenditure of up to £40,000 to appoint property advisors through TFL's Framework arrangements to undertake a valuation of the various land holdings in Phase 4 of the scheme.

#### Decision:

The Assistant Director approves expenditure of up to £40,000 to procure and appoint property advisors to undertake the required valuation work to take forward discussions for the delivery of Phase 4 of the Blackwall Reach Regeneration Programme (BRRP).

#### AUTHORISING ASSISTANT 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 Duncan

**Position:** Head of Area

**Signature:** 

**Date:** 22 August 16

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE**

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1 Previously the Homes and Communities Agency (HCA) had taken a controlling interest in a number of sites within the Blackwall area in order to facilitate the comprehensive regeneration and redevelopment of the Robin Hood Gardens housing estate and surrounding sites. These assets transferred to the GLA and are held by GLA Land and Property (GLAP) in order to facilitate the comprehensive regeneration of the area.
- 1.2 In partnership with the LB of Tower Hamlets, following an extensive procurement exercise Swan Housing Association (Swan) was appointed to deliver the phased regeneration of this area, with the initial Phase 1A and Phase 1B sites being delivered on an unconditional basis, and the remaining Phases 2 through 4 being delivered when vacant possession is achieved.
- 1.3 The arrangements in respect of the development are set out within a Principal Development Agreement (PDA) which was entered in to by the HCA and LB Tower Hamlets together with Swan and Countryside Properties on 19 April 2011. The Blackwall Reach project, including the PDA and all associated landholdings transferred from HCA to GLAP on 1 April 2012. The PDA was amended and restated in 2013.
- 1.4 Outline planning permission for BRRP was secured on 30<sup>th</sup> March 2012. The scheme will provide up to 1,575 new homes, 18,000 sq.m of open space and public realm, including new park and play space, a new community centre, up to 1,710 sq.m retail floor space, up to 900 sq.m business floor space, a replacement mosque and s106 funding for, amongst other infrastructure improvements, a school expansion for Woolmore primary school to increase school places from 204 to 420. Over 50% of the housing delivered will be affordable.
- 1.5 The scheme is to be delivered over 5 phases, with Phase 1A completed and Phase 1B underway and expected to complete in 2018/19.
- 1.6 Phase 4 of the scheme is the largest by unit number, and is due to commence in 2019/20. The Phase is primarily owned by GLAP, with both contracted out and long leasehold tenants on GLAP land. The other major landowner is Criterion Capital, who owns a car parking area to the South of the Phase. The Council owns areas of highway land used to access these sites and navigate the area.
- 1.7 In order to take forward the proposals for regeneration of the area, and particularly the GLA's holdings in Phase 4 of the scheme, GLAP will need to commission a valuation of the various ownerships and lease arrangements in order to inform future discussions.
- 1.8 In 2015, MD1504 - Blackwall Delegations, approved expenditure of up to £150,000 to cover all Blackwall Reach legal fees incurred for the period 2014/15, 2015/16 and 2016/17. This budget is expected to be fully committed to fund these commitments and so this allocation of funding would be additional to this budget line.
- 1.9 Therefore, it is expected this valuation will be funded from the 2016/17 Revenue Land & Property Budget.

## **2. Objectives and expected outcomes**

- 2.1 The appointment of a team of RICS qualified valuers to review the GLA's land holdings in Phase 4 of the scheme will facilitate the delivery of the BRRP, delivering 1575 new homes of which over 50% will be affordable in line with the Mayor's commitments on the delivery of affordable housing in London.
- 2.2 Further, as part of the existing PDA, Swan HA are committed to local marketing of the scheme for a minimum period, fulfilling the Mayor's commitment to "First dibs for Londoners" for all new housing delivered through the BRRP.

## **3. Equality comments**

- 3.1 The delivery of the Blackwall Reach development is aimed at implementing the Mayor's policies set out in the Mayor's London Housing Strategy. In January 2014 the GLA published an integrated impact assessment ("IIA"), including an equalities impact assessment, of that strategy. The policies related to increasing housing supply, of which this paper relates, were covered by the Integrated Impact Assessment (IIA) for the Further Alterations to the London Plan.
- 3.2 The IIA concluded that updating housing projections and targets would support the delivery of sufficient housing and may help stabilise housing prices, supporting equal opportunities throughout communities. Furthermore, the provision of housing, including maximising the delivery of affordable housing would be in line with other policies of the Plan (e.g. Policy 3.5), ensuring that the needs of different groups are taken into account in the housing design.
- 3.3 The delivery of new and additional homes within the Housing Zones will help to implement Objectives 1, 2, 3 and 4 of the Mayor's Equalities Framework "Equal Life Chances for All" (June 2014) through the creation of new homes, housing products and well-designed housing schemes.
- 3.4 Realising the delivery of the Blackwall regeneration scheme will meet the objectives of LB Tower Hamlets as set out in its Core Strategy to provide affordable, lifetime homes for its residents, with exemplary urban design and sustainable development.

## **4. Other considerations**

- 4.1 There are no further considerations for this report.

## **5. Financial comments**

- 5.1 The revenue expenditure for the appointment of property advisors to carry out valuations on the land holdings in Phase 4 is expected to cost up to £40,000.
- 5.2 The requested funding will be financed from the 2016/17 Land and Property Revenue Support Budget.
- 5.3 Any changes to this proposal, including the requirement of additional funds, will be subject to further approval via the Authority's decision making process

## **6. Legal comments**

- 6.1 GLAP is being advised by Berwin Leighton Paisner in respect of the BRRP, namely in respect of the Principal Development Agreement and ancillary documentation.

6.2 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

## **7. Planned delivery approach and next steps**

| <b>Activity</b>                | <b>Timeline</b> |
|--------------------------------|-----------------|
| Redbook valuation of site      | September 2016  |
| Confirmation of disposal route | Q4 2016/17      |

### **Appendices and supporting papers:**

None

**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 – YES**

**ORIGINATING OFFICER DECLARATION:**

Drafting officer to confirm the following (✓)

**Drafting officer:**

Neil Hook has drafted this report in accordance with GLA procedures and confirms that the Finance and Legal teams have commented on this proposal as required, and this decision reflects their comments.

✓

**HEAD OF GOVERNANCE AND RESILIENCE:**

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

**Signature:**



**Date:**

18.08.16

