

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2166

Title: Valuer for sites within the Tottenham Housing Zone

Executive Summary:

GLA Officers are seeking permission to commission a series of valuations (desktop and subsequently Red Book) and accompanying due diligence for sites within the Tottenham Housing Zone for potential acquisition by GLA Land and Property (GLAP). Any acquisitions would be with a view to supporting the Mayor's ambition to increase levels of affordable housing in London and would be subject to separate Mayoral Decisions.

Decision:

The Assistant Director approves:

- i. the appointment of Cushman Wakefield, and associated expenditure of up to £40,000, to undertake valuation work and property due diligence to inform wider decision-making on potential land acquisitions within the Tottenham Housing Zone; and
- ii. a related exemption from the requirement in the Contracts & Funding Code to procure competitively.

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT:

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 - NE London

Signature: 

Date: 30/10/17

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 The Mayor is ambitious, both as part of the Housing Zone programme and through his wider Housing Strategy (currently in draft), to work with boroughs and developers to deliver more affordable housing within London. One route to doing so is through the acquisition of land within London that can then be brought forward for development.
- 1.2 GLA Officers are seeking permission, through this ADD form, to commission a series of valuations (both desktop and subsequently Red Book) and accompanying necessary due diligence for sites within the Tottenham Housing Zone for potential acquisition by GLAP.
- 1.3 The identified site has previously formed part of a package of appraisals undertaken by Cushman Wakefield on behalf of Transport for London as part of other tangential commissions. Whilst this work was not a direct valuation, and cannot be repurposed as such, Cushman Wakefield have substantial background knowledge and understanding of the site and relationship with all key parties. It is therefore proposed they are appointed to undertake this work to save the GLA substantial time and resources and to draw on their understanding of the site, which other consultant teams would not have.
- 1.4 Once the valuation advice is received, detailed negotiations will take place with the existing owner with a view to agreeing potential acquisitions. At that stage, further approval will be sought from the Mayor as required.

2. Objectives and expected outcomes

- 2.1 The valuation and due diligence advice commissioned for this site will assist in any decision-making for acquisition. Should terms for an acquisition of the site be agreed, any disposal would subsequently look to ensure increased delivery of affordable housing in line with the Mayor's vision for public land.

3. Equality comments

- 3.1 In September 2017, the Mayor published the draft London Housing Strategy. The strategy commits to working with key partners and London Boroughs to bring forward sites for the development of housing.
- 3.2 The delivery of new and additional homes 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.
- 3.3 The acquisition of this site will contribute towards the ambitions set out in the consultation for the Mayor's vision for a diverse and inclusive city, in particular with reference to building more decent homes for Londoners.

4. Other considerations

- 4.1 As with any land purchase, there is a risk that the land value may go down as well as up. Should the site(s) be secured, effort would be made to dispose of the holding expediently to minimise exposure

to this risk. When disposal takes place, all efforts would be made to ensure that the expenditure incurred by the GLA (including holding and ancillary costs) are recouped.

- 4.2 The undertaking of this valuation will assist in minimising the risk to the GLA in disposing of the site if acquired.

5. Financial Comments

- 5.1 This decision requests approval to appoint Cushman Wakefield to undertake valuation and property due diligence work in London Borough of Haringey. It also requests approval for expenditure of up to £40,000 to carry out the works in question.
- 5.2 The expenditure is available from the dedicated project budget in Land & Property Programme within Housing and Land department and will be fully expended in 2017/18 financial year

6. Legal Comments

- 6.1 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.

- 6.2 Sections 1 to 3 of Part 1 and sections 1 and 2 of Part 2 of this report indicate that the Assistant Director has the power to proceed to make the decisions as requested within this report.
- 6.3 Paragraph 4.1 of the GLA's Contracts and Funding Code (the "Code") requires the GLA to seek three or more written quotes or to call the services off from an available framework for a contract with a value between £10,000 and £125,000. The proposed contract with Cushman and Wakefield is valued at £40,000. Accordingly, the requirement to seek three or more written quotes or to call off from an available framework applies to the procurement of the said contract, unless grounds exist to support an exemption from the requirements of the Code.
- 6.4 Paragraph 5.4 of the Code lists the grounds, upon which the director may authorise an exemption from the requirements of the Code, including the ground that the relevant service provider has "previous involvement in a specific current project or continuation of existing work which cannot be separated from the new project/work". The officers have set out in this paper how the requirements of paragraph 5.4 have been met. Accordingly, the Assistant Director may authorise the direct appointment of Cushman and Wakefield without a prior competitive procurement, if he is satisfied that the grounds to justify an exemption from the Code have been satisfied.

6.5 Officers must ensure that an appropriate contract be put in place between Cushman and Wakefield and the GLA/GLAP.

7. Planned delivery approach and next steps

Activity	Timeline
Procurement of the consultant from TfL's Framework to carry out a valuations of the site(s)	Q3 2017/18
Valuation of the site(s)	Q4 2017/18
Mayoral decision to acquire site(s)	Q1 2018/19

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: N/A

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:

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


Corporate Investment Board:

The Corporate Investment Board reviewed this proposal on 30 October 2017.

HEAD OF FINANCE AND GOVERNANCE:

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

Signature:



Date:

30.10.17

