

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD252

Title: Gallions 3B Expenditure

Executive Summary:

Gallions 3B is a site of approximately 1 Ha in the Royal Albert Basin that is currently vacant. The GLA intends to take the site to the market for a residential development in line with Mayoral commitments, though this will be subject to a separate approval. The GLA has carried out some soft market testing of the opportunity amongst panel members with a mixed response and now requires approval for a number of items of expenditure for due diligence required before decisions can be taken on the marketability of the site. The total required is £50K, comprising £40K spend in 14-15 and £10K spend in 15-16. This expenditure can be contained within existing budgets for the site.

Decision:

That the Assistant Director approves;

- Expenditure of up to £50,000 on due diligence required to be completed before and during marketing of the site (£40,000 in 2014-15 and £10,000 in 2015-16).

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT:

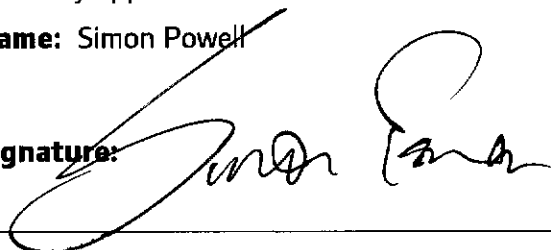
I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Simon Powell

Position: Assistant Director - Strategic Projects and Property

Signature:



Date:

05/01/15

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 Gallions 3B (G3B) is a site in the Royal Albert Basin, in the eastern end of the Royal Docks. A site plan is included at Appendix A. The GLA are in contract with Notting Hill Housing Trust for two major residential schemes in the vicinity and in contract with One Housing Group on one smaller scheme adjacent to the site. These are scheduled to deliver approximately 800 units to the market when complete.
- 1.2 Options for the site are being considered (and will be subject to HIG approval in due course) but it is proposed that the site is marketed for a residential scheme through either the LDP (London Development Panel) or through a restricted OJEU. The site benefits from river frontage and has been fully remediated. Constraints include a Port of London Authority (PLA) radar mast, a substation, and the proximity of an area of land that has been safeguarded for the proposed Beckton Reach river crossing to the immediate north of the site. The fact that this is at an early stage of planning represents a significant risk to potential developers as timescales and the design are not yet known.
- 1.3 As the site is of a relatively small size, and as a result of the large number of units scheduled for completion 2018 – 2021, options for a more innovative development scheme are being explored, such as Modern Methods of Construction (MMC) in order to differentiate from the offer already in the pipeline. The various options will be thoroughly tested and approval sought at HIG.
- 1.4 Expenditure of up to £50k is required as part of the due diligence to be completed before and during marketing of the site. This comprises of;
- 14-15
- Title review and Legal support ahead of contracting with a developer- £20K
 - Specialist advice: MMC delivery methods, Environment Agency river wall restrictions, PLA radar mast restrictions - £20K
- 15-16
- Ongoing legal support - £10K

2. Objectives and expected outcomes

- 2.1 The objective of this is to ensure that the GLA has performed adequate due diligence on the site in advance of marketing it with the aim of carrying out a successful procurement. The expected outcome of these pieces of work is to ensure that the information required to market the site in the most appropriate manner is available.

3. Equality comments

- 3.1 Equalities considerations will be taken into account in that all work will be procured in accordance with GLA best practice. At the appropriate time the marketing of the site will also be subject to the same considerations.

4. Other considerations

- a) Given the uncertainties surrounding the river crossing there is the risk that these pieces of work will be instructed and will be abortive due of lack of interest in the site. This is mitigated by the fact that any work instructed will be at least partly relevant for development on site at any point in the future.
- b) The Mayor has made a commitment to dispose of all developable sites for housing where appropriate.
- c) We are consulting with relevant stakeholders and an Albert Basin steering group has been set up to ensure key decisions are considered by all parties.

5. Financial comments

- 5.1 This site has an earmarked budget of £40k in 2014/15 and £10k in 2015/16 from the Land and Property revenue budget, within which the expenditure detailed in this paper can be met.
- 5.2 The expenditure will be managed by the Strategic Projects and Property team in Housing and land.

6. Planned delivery approach and next steps

- 6.1 As this request for expenditure comprises a number of instructions with differing timescales, the key milestones are set out below;

Activity	Timeline
Completion of title review	Jan 15
HIG approval	Feb 15
Procurement of development partner	Feb 16
Delivery End Date	Feb18

Appendices and supporting papers:

Appendix A: Site Plan

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:

The GLA would not wish to publish details of a potential use of a site before that use has been formally approved. The paper also contains financial information which may prejudice tender responses

Until what date: 1/9/15

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:

Caroline Cameron 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:

30 Dec 2014