

REQUEST FOR DIRECTOR DECISION – DD1410

Title: Upper Lee Valley Opportunity Area Planning Framework: Development Infrastructure Funding Study – ‘Utilities Extension’

Executive Summary:

The purpose of this decision is to agree expenditure of £49,000 to fund additional TfL work in relation to the ‘Upper Lee Valley Opportunity Area Planning Framework: Development Infrastructure Funding Study (ULV DIFS)’. The Study has been commissioned by Transport for London (TfL) and a contract issued for £157,464, which will be extended to the value of £198,464 in total to account for the additional ‘Utilities Extension’ work. The additional work will build on the DIFS work, to identify and map utility infrastructure requirements under three growth scenarios (baseline, four-tracking of the main railway line, and Crossrail 2) in the identified growth areas.

A procurement process was conducted by TfL and consultants were appointed, led by Steer Davies Gleave, to undertake the DIFS working with the London Boroughs of Haringey, Enfield, Waltham Forest, and Hackney; TfL; and the GLA. The work undertaken to date sets out the infrastructure required to deliver the level of development envisaged in the Upper Lee Valley Opportunity Area Planning Framework; the phasing of the infrastructure build out; and the sources and phasing of funding that may be available to pay for the infrastructure; however further investigation is required on utility requirements.

Decision:

The Executive Director approves expenditure of £49,000 made up of:

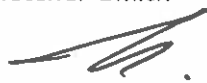
- Expenditure of up to £8,000 as a contribution towards TfL’s costs of the production of the Upper Lee Valley Opportunity Area Planning Framework: Development Infrastructure Funding Study. This is in addition to the previous GLA contribution of £35,000 for this study to TfL (approved under ADD290, 20 March 2015).
- Expenditure of up to £41,000 towards TfL’s costs for additional work in relation to the Upper Lee Valley Opportunity Area Planning Framework: Development Infrastructure Funding Study – ‘Utilities Extension’ work.

AUTHORISING 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 Fletcher-Smith

Signature:



Position: Executive Director – Development, Enterprise and Environment

Date:

21/10/15.

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 Opportunity Area Planning Frameworks (OAPFs) are an integral part of securing development that accords with the London Plan (the Mayor's Spatial Development Strategy for London) by setting out non-statutory area specific policy guidance. Section 30 of the Greater London Authority Act 1999 (the 'Act') provides for the Authority to do anything it considers will further any one or more of its principle purposes, which are, the promotion of economic development and wealth creation, the promotion of social development, and the promotion of the improvement in the environment of Greater London.
- 1.2 The Upper Lee Valley is one of the Opportunity Areas identified by the London Plan. The Upper Lee Valley contains one of the largest clusters of manufacturing and technology-led industrial estates in London. It also contains a regional park, extensive riverside sites, established residential communities, transport links and power suppliers. The Upper Lee Valley Opportunity Area Planning Framework (ULV OAPF) was produced in 2013 and identifies an employment capacity of 15,000 jobs and 20,100 new homes by 2031. It also identifies that a Development Infrastructure Funding Study (DIFS) will be undertaken.
- 1.3 A procurement process has already been conducted by TfL and consultants have been appointed by TfL, led by Steer Davies Gleave, to undertake a Development Infrastructure Funding Study (see Appendix 1 for Original Invitation to tender and Appendix 4 for the brief for the 'Utilities Extension' work). TfL are managing the work in close co-operation with the GLA and the London Boroughs of Enfield, Waltham Forest, Haringey and Hackney.
- 1.4 TfL have issued a contract for £143,161 (see Appendix 2), to which the GLA contributed funding of £35,000 (ADD290, 20 March 2015, payment made). This contract was later extended to £157,464 (see Appendix 3) due to increased costs and £8,000 of funding from this DD will contribute towards these increased costs. The remaining £41,000 will provide funding for the 'utilities extension' work. In due course, TfL will issue a further contract extension to total £198,464 (£157,464 plus £41,000). Total GLA funding will be £84,000, with the remainder of the funding provided by TfL, with contributions from the Boroughs.
- 1.5 Approval is sought for additional expenditure of £8,000 as a contribution towards the production of the Upper Lee Valley Opportunity Area Planning Framework: Development Infrastructure Funding Study (total cost £157,464) commissioned by TfL.
- 1.6 Approval is also sought for expenditure of £41,000 towards additional work in relation to the Upper Lee Valley Opportunity Area Planning Framework: Development Infrastructure Funding Study – 'Utilities Extension' work (taking the total cost of the DIFS work to £198,464).

2. Objectives and expected outcomes

- 2.1 The consortium of consultants, led by Steer Davies Gleave, was commissioned to produce a Development Infrastructure Funding Study (DIFS) for the Upper Lee Valley Opportunity Area, working with the London Boroughs of Haringey, Enfield, Waltham Forest, and Hackney, TfL and the GLA (the 'client group').
- 2.2 The DIFS sets out the infrastructure required to deliver the level of development envisaged in the Opportunity Area, the phasing of the infrastructure build out, and the sources and phasing of funding that may be available to pay for the infrastructure. This is set out in a

clear financial model that can be updated, by the client or the consultant, with further and updated information. The DIFS also provides a clear prioritisation of the infrastructure schemes so that, in the event of a funding gap, there is the ability to delay or postpone schemes as a method of closing the gap.

- 2.3 The DIFS has identified (but not mapped) utility requirements under the baseline scenario; however it found that due to the sensitive commercial nature of the information surrounding utility works required, further work with utility providers is required to test growth scenarios. This extension to the contract seeks to commission work to further develop the baseline utility requirements and identify requirements under the two higher growth scenarios (four-tracking of the main railway line, and Crossrail 2).

3. Equality comments

- 3.1 In arriving at the recommended decision to approve this proposed expenditure, equalities issues have been considered in line with the GLA's duties under the Equalities Act 2010. The extension to the DIFS work seeks to identify utility infrastructure requirements that will be available to all sections of society, including transport, utilities and social infrastructure. It is unlikely that this project will have negative equalities impacts; however equalities impacts will be considered as the work progresses and actions decided upon to address any emerging issues.

4. Other considerations

- 4.1 This project is closely linked to the Mayor's agenda for jobs and growth in London. The extension to the DIFS work will set out the utility infrastructure required to deliver the level of development envisaged in the Opportunity Area.
- 4.2 If this work is not produced to an extremely high quality, there is a risk that this Opportunity Area will not maximise the potential of the Upper Lee Valley and will not provide the platform to deliver jobs and growth in line with the Mayor's 2020 vision priorities.
- 4.3 The need for this expenditure is immediate to meet the project deadlines.
- 4.4 Value for money was secured by a competitive tendering process managed by TfL, seeking competitive quotes from suitable suppliers, which is detailed in the attached appendices.
- 4.5 Should further work be required in support of the DIFS, a further DD may be required, although this is not expected as the costs will be closely monitored.

5. Financial comments

- 5.1 Approval is being sought for expenditure of £49,000 towards additional work in relation to the 'Upper Lee Valley Opportunity Area Planning Framework: Development Infrastructure Funding Study'. The expenditure will be in the form of a contribution to TfL for consultants working on the 'Utilities Extension'. This contribution to TfL is in addition to the £35,000 funding provided for the DIFS in 2014-15 (ADD290), taking the total GLA contribution to £84,000, with a total contract value for the study of £198,464.
- 5.2 This contribution will be funded from the Planning Unit's 2015-16 'Pre-application Reserves' and is planned to be spent in 2015-16.

6. Legal comments

- 6.1 Section 30 of the Greater London Authority Act 1999 (“the Act”) entitles the GLA, after appropriate consultation, to do anything which will further the promotion within Greater London of economic development and wealth creation, social development and the improvement of the environment.
- 6.2 The GLA also has a subsidiary power pursuant to Section 34 of the Act. This gives the Mayor the authority to do anything which is calculated to facilitate, or is conducive or incidental to the exercise of any of the statutory functions of the GLA. In this case this piece of work is incidental to its section 30 powers defined above as well as its powers under section 334 and 339 of the Act.
- 6.3 Section 334 of the Act requires the Mayor to prepare and publish a spatial development strategy (known as the London Plan). Section 339 of the Act requires the Mayor to keep the London Plan under review, especially matters which may be expected to affect the development of Greater London or the planning of its development. In this case, the decision to procure specialist technical services to undertake this project may reasonably be regarded as facilitating, being conducive or incidental to, the exercise of the Mayor’s powers detailed above.
- 6.4 Section 121 of the Greater London Authority Act 1999 (the “Act”) provides that the GLA may pay a grant towards meeting revenue expenditure incurred or to be incurred by a functional body such as for the purposes of, or in connection with, the discharge of it’s functions.

7. Planned delivery approach and next steps

- 7.1 Details of the utility infrastructure requirements will be provided by the client group and other stakeholders including utility providers, utility regulators, and major landowners.
- 7.2 The key consultant workstreams are as follows:
- a) Meeting with GLA/TfL to confirm scale, location, type, timing of development on all main growth areas for baseline, four-tracking and Crossrail 2 growth scenarios.
 - b) Initial contact with the four Boroughs to confirm/agree data (as above).
 - c) Initial contact with utility providers - to confirm/agree data (as above).
 - d) Review of existing and emerging policy.
 - e) Review of existing and emerging planning permissions on main sites in growth areas, and contact promoters/agents.
 - f) Review current and emerging utilities’ proposals.
 - g) Workshop with Boroughs, TfL and GLA to agree scenarios and local/strategic approach to utilities provision - SuDS, decentralised energy networks etc.
 - h) Meeting with utility providers and regulators to discuss requirements.
 - i) Meetings with Regulators - OFWAT, OFGEM, OFCOM.
 - j) Presentation of initial findings to client group – utility requirements and mapping.
 - k) Further clarifications meetings with Boroughs, landowners and other stakeholders.
 - l) Preparation of draft report and final report.
 - m) Presentation to client group and other stakeholders.

Activity	Timeline
Procurement of contract [for externally delivered projects]	October 2014 (extension from October 2015)
Announcement [if applicable]	N/A
Delivery Start Date [for project proposals]	October 2015
Final evaluation start and finish (self):	Dec - Jan 2016
Delivery End Date [for project proposals]	January 2016
Project Closure: [for project proposals]	January 2016

Appendices and supporting papers:

1. Original Invitation to tender for the Upper Lee Valley Opportunity Area Planning Framework Development Infrastructure Funding Study – October 2014.
2. Original contract between TfL and SDG.
3. Variation contract between TfL and SDG.
4. Brief for the 'Utilities Extension' work.

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 – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Martin Jones has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service:

Stewart Murray has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature *M. J. Allcock*

Date *21.10.15*