

# GREATER LONDON AUTHORITY

## REQUEST FOR DIRECTOR DECISION – DD2006

### Title: Isle of Dogs and South Poplar Opportunity Area Planning Framework – Development Infrastructure Funding Study – consultancy services

#### Executive Summary:

As part of the Isle of Dogs and South Poplar Opportunity Area Planning Framework (OAPF), the GLA is proposed to procure a consultant to undertake a Development Infrastructure Funding Study (DIFS) for the area.

The DIFS will identify future infrastructure requirements to support the potential growth identified in the development capacity study, including up to 56,500 homes as well as the 110,000 new jobs identified in the London Plan. The DIF study will include a set of recommendations for how to fund delivery of this infrastructure.

The GLA is working in partnership with the London Borough of Tower Hamlets and Transport for London in relation to the OAPF. The GLA is leading on the procurement of a consultant to commission a DIFS study. The estimated cost of this work is £120,000, with a contribution secured from a major landowner.

#### Decision:

The Executive Director approves;

- expenditure of up to £120,000 to procure and commission a consultant to prepare a Development Infrastructure Funding Study for the Isle of Dogs and South Poplar OAPF in 2016/17; and
- the receipt of £50,000 from One Housing towards the procurement of a consultant for this study.

#### 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

**Position:** Executive Director-Development, Enterprise and Environment

**Signature:**



**Date:**

31. 5. 2016

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

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

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

- 1.1 The GLA Planning unit is leading on the production of an Opportunity Area Planning Framework (OAPF) for the Isle of Dogs and South Poplar, working in partnership with the London Borough of Tower Hamlets, and Transport for London (TfL). The OAPF is identified in the London Plan, and given the significant immediate development pressures felt in the area, is a key strategic priority. The OAPF forms an important part of the City in the East spatial plan, and is being developed in partnership with surrounding frameworks and masterplans, including the Royal Docks, Greenwich Peninsula, Canada Water, as well as the Poplar Riverside Housing Zone.
- 1.2 The OAPF team is managed and directed by the GLA, and reports to the Strategic Board, comprising Mayor John Biggs and other representatives from Tower Hamlets Council, TfL and GLA, in addition to representatives from the major landowners, including One Housing, Canary Wharf Group, Canals and River Trust and Poplar Harca.
- 1.3 Specialist consultancy services, to enable the production of a development capacity study, were employed through a competitive tendering process in August 2015 via assistant Directors Decision (ADD) 339. This contract was extended in May 2016 via Directors Decision (DD) 2001). The total spend for this contract to date is £50,000. Canary Wharf Group, as key landowners and members of the Strategic Board for the OAPF, contributed £50,000 towards the OAPF project; this income was utilised for the purposes of this consultant service.
- 1.4 TfL has independently funded a Transport Study. The Transport Study will undertake comprehensive modelling, providing a critical evidence base for the DIFS study, and is essential in order to identify strategic transport requirements.

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

- 2.1 To deliver the scale of growth proposed in the Isle of Dogs and South Poplar areas, and to help realise the areas strategic importance in delivering London's housing and employment targets, a significant package of physical works will be required, including:
  - new and improved highways and bridges;
  - public realm, pedestrian and cycle measures;
  - provision of social infrastructure, including open space, schools, healthcare and community facilities; and
  - upgrading and providing new services and utilities (water, electrical, energy, emergency, waste).
- 2.2 The purpose of a DIFS is to identify and cost the necessary infrastructure and to propose mechanisms to fund these works. The DIFS will provide the evidence base and detailed justification for setting tariffs and affordable housing levels, as well as updating Tower Hamlets Council's Community Infrastructure Levy, potential future borrowing, and setting of business rates. The DIFS will set 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 will be set out in a clear financial model. The model will include the potential revenue which each development scenario at each site could contribute towards the infrastructure identified. In light of the unique nature of the development pressure being experienced within the study area, which primarily comprises very high-density tower-based housing development, innovative and 'smart' solutions to infrastructure delivery will form an important element of the DIF study.

- 2.3 The relevant TfL Framework will be used to procure consultants. The consultants will be expected to produce a draft report, with accompanying spreadsheet which sets out the key assumptions, analysis, and conclusions of the DIFS by the end of December 2016, with a final report by the end of February 2017. The final DIFS report will be published for public consultation alongside a draft Opportunity Area Planning Framework.
- 2.4 The GLA will act as lead client on this procurement, which is being undertaken by TfL.
- 2.5 Agreement has been reached with One Housing to contribute £50,000 to help fund this study. One Housing are members of the OAPF Strategic Board and, together with Canary Wharf Group, have committed to contributing towards the general funding of the OAPF project.
- 2.6 Approval is being sought to use £55,000 from the Planning Unit Pre-Application Reserve, £15,000 from Planning Decisions, and a further £50,000 from income (monies secured by One Housing, a major landowner and private stakeholder within the OAPF boundary). The total cost of £120,000 is based on comparable DIFS already completed or procured at Old Oak, Upper Lee Valley, and London Riverside Opportunity Areas.

### **3. Equality comments**

- 3.1 The GLA is a public authority which must comply with the Public Sector Equality Duty set out in section 149 (1) Equality Act 2010. This provides that, in the exercise of their functions, public authorities must have due regard to the need to:
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
  - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
  - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 3.2 The obligation in section 149(1) is placed upon the Mayor, as decision maker. Due regard must be had at the time a particular decision is being considered. The duty is non-delegable and must be exercised with an open mind.
- 3.3 Opportunity Areas are identified in the London Plan, which has been subject to an Equality Impact Assessment (EqIA), and is available on the GLA website.

### **4. Other considerations**

- a) key risks and issues
- 4.1 This study will provide important evidence and justification for a planning obligations strategy for development in this Opportunity Area. The study is critical to the production of the OAPF, and without it there is a risk that the OAPF will not be completed, or will not be completed within the required timeframes. This would undermine the Mayor's growth agenda set out in the London Plan 2015 (consolidated with alterations since 2011). The information will in turn allow Tower Hamlets Council to implement a viable and robust Community Infrastructure Levy to secure the appropriate contributions from development to support delivery of key infrastructure. It will also ensure that relevant utilities are aware of, and can plan for, significant increases in development.
- b) links to Mayoral strategies and priorities

4.2 OAPFs are supplementary to the London Plan and bring together the Mayoral priorities for housing, economic development, development, transport and the environment. Realising the development potential of Opportunity Areas is a Mayoral priority, and OAPFs bring together strategic and local stakeholders to deliver an area-wide spatial planning framework in accordance with Government policy, as set out in the National Planning Policy Framework. The DIFS will help ensure that infrastructure required to support development is identified and appropriate funding secured. This will support the Mayor's Infrastructure Plan.

## **5. Financial comments**

5.1 Approval is being sought to spend up to £120,000 to procure a consultant (or consortium of consultants) to prepare a DIF study for the Isle of Dogs and South Poplar Opportunity Area Planning Framework within 2016/17. This is to be funded as follows:

- £55,000 from Planning Unit 2016-17 Pre-Application Reserve;
- £15,000 from 2016-17 Planning Decisions budget; and
- £50,000 income (contribution from One Housing in 2016/17).

5.2 To note, to date £50,000 has been approved to be spent on a consultant to provide technical support for the Development Capacity Study, and produce specialist graphics and desktop publishing for the draft Isle of Dogs Opportunity Area Planning Framework document (approved under ADD339 and DD2001). This was funded from 2015-16 OAPF budget and 2016-17 Planning Pre-application reserves. Also, as mentioned in paragraph 1.3 above, £50,000 has been received in 2015-16 from Canary Wharf Group to contribute to fund the cost of this work.

5.3 All the delivery and spend will take place within 2016-17 and officers should ensure that they enter into a funding agreement with One Housing to agree their contribution. Invoice to One Housing for their funding should also be raised in a timely manner.

## **6. Legal comments**

6.1 The decision requested of the Director (in accordance with the GLA's Contracts and Funding Code) falls within the GLA's statutory powers to do such things considered to further or which facilitative, conducive or incidental to the promotion of economic development and wealth creation, social development or the promotion of the improvement of the environment in Greater London; and in formulating the proposals in respect of which a decision is sought officers have complied with the Authority's related statutory duties to:

- pay due regard to the principle that there should be equality of opportunity for all people;
- consider who the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
- consult with appropriate bodies.

6.2 Officers have indicated in paragraph 2 of this report that the Framework under which it is proposed the consultancy services required are to be "called-off" can be used by the GLA in accordance with relevant procurement law.

6.3 Officers must ensure that appropriate "call-off" documentation is put in place and executed by the successful bidder and the GLA before the commence of the consultancy services.

6.4 Officers must ensure the appropriate funding agreement is put in place between and executed by the GLA and One Housing in relation to the £50,000 One Housing are providing the GLA towards the funding of the procurement as soon as possible.

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

7.1 The DIFS will be produced through TfL Procurement.

<b>Activity</b>	<b>Timeline</b>
Procurement of contract [for externally delivered projects]	June 2016
Announcement [if applicable]	
Delivery Start Date [for project proposals]	July/August 2016
Final evaluation start and finish (self/external):	December 2016
Delivery End Date [for project proposals]	February 2017
Project Closure: [for project proposals]	February 2017

**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:

This Director Decision includes the overall project budget for appointing consultants to prepare the Development Infrastructure Funding Study. It is important that this information is not made public until after the consultants are appointed and a price and scope of works has been agreed, and contracts exchanged. If the total project budget is made public in advance of this process, then it could lead to consultants providing inflated prices to complete the works. This information should therefore not be made public until after the consultants have been appointed.

Until what date: 31 August 2016

**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:**

Sarah Considine 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

26.5.16