

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD2570

### Title: Beam Park Project Revenue Expenditure

#### Executive Summary:

Through Mayoral Decision (MD)1664 signed in April 2016, the Mayor appointed Countryside Properties UK Ltd (CPUK) as the preferred development partner for GLA Land and Property Ltd's land at Beam Park, formerly the site of Ford's Dagenham production facility. The Development Agreement was signed in 2017. CPUK were procured through the London Development Panel (LDP) following a competitive tendering process. The 29ha development, which spans the London Borough of Barking & Dagenham and the London Borough of Havering, will deliver 3,000 new homes, 50% of which will be affordable.

This decision form asks the Mayor to approve expenditure of up to £250,000 to cover legal and consultancy costs that are required for the ongoing management of the development agreement for the next five years.

#### Decision:

That the Mayor approves:

Expenditure of up to £250,000 for future legal and consultancy costs required in the ongoing management of the development agreement, for years 20/21 – 25/26.

#### Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

11/2/20

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR**

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

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

- 1.1 The site at Beam Park comprises 29ha and spans across the boroughs of Barking & Dagenham and Havering. The site is owned freehold by GLA Land and Property Ltd (GLAP). CPUK was appointed as GLAP's development partner to deliver residential-led development on the land by MD1664 (April 2016).
- 1.2 The site has planning consent for 3,000 homes, 50% being affordable, a new train station, two new primary schools, a GP surgery and a new park. Outline planning consent is in place for the whole development and detailed consent is in place for the first phase of the development. CPUK started on site in early 2019 and work to progress planning and design of phase two is underway.
- 1.3 Details of the approvals secured over the lifetime of the project are as follows:
  - MD1365 (July 2014), under which the Mayor approved expenditure to undertake intrusive site investigations, carry out development appraisals to ensure best consideration for the site is achieved;
  - MD2104 (April 2017) requested expenditure for the appropriate monitoring and other costs associated with the construction of homes at Beam Park; and
  - Through Director Decision (DD)2138 (June 2017) the Executive Director of Housing and Land approved GLAP entering into a Development Agreement with CPUK.
- 1.4 Additional expenditure is now required for ongoing legal and consultancy costs for the management of the Development Agreement over the next five years.
- 1.5 The requested amount will cover GLAP's legal costs associated with fulfilling its requirements under the development agreement. This includes the negotiation and grant of building leases, transfer of freehold land for houses, review of under leases, and review of the school and station agreements. GLAP has retained external legal advisors. Undertakings for non routine legal costs, incurred due to requests from CPUK not envisaged under the Development Agreement, will be requested from CPUK.
- 1.6 The requested amount also covers design review costs; GLAP has a retained external design consultant to review design plans for the central park and future phases. This will ensure a high quality scheme with a consistent design approach is realised.
- 1.7 Allowance has been made for other incidental costs such as invasive species surveys and treatments. GLAP will also require external consultancy support in the calculation of planning and sales coverage in future phases.
- 1.8 GLAP's retained legal advisors were procured through the TfL legal framework. All other external consultants have been, or will be, procured following competitive procedures.

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

- 2.1 Expenditure is required to fulfil the ongoing management of the development agreement. This comprises legal and consultancy costs for the next five years.
- 2.2 The development will deliver 3,000 residential units when complete. This helps to fulfil the Mayor's objective to increase housing supply in London, particularly affordable housing. Once completed this

scheme will have transformed formerly vacant industrial land into a new neighbourhood in east London.

### **3. Equality comments**

- 3.1 Under section 149 of the Equality Act 2010, as public authorities, the Mayor and the GLA are subject to a public-sector equality duty and must have 'due regard' to the need to (i) eliminate unlawful discrimination, harassment and victimisation; (ii) advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and (iii) foster good relations between people who share a relevant protected characteristic and those who do not. Protected characteristics under section 149 of the Equality Act are age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status.
- 3.2 Throughout the decision-making process, as approvals have been sought to facilitate significant housing development, due regard has been had to the 'three needs' outlined above. The housing shortage in London disproportionately negatively affects people with certain protected characteristics. For example, young, disabled and BAME Londoners are over-represented in the growing private rented sector. As stated in the Mayor's London Housing Strategy Impact Assessment, older and disabled people are more likely to struggle with accommodation that is neither accessible nor adapted to particular issues. Overcrowding is severe in London, disproportionately affecting those on low incomes – specifically those with certain protected characteristics. Increasing the supply of housing, and in particular affordable housing will help to achieve positive impacts in line with the 'three needs'.

### **4. Other considerations**

#### *Risks and issues*

- 4.1 If additional expenditure is not approved, GLAP will not be able to obtain expert external advice and associated professional indemnities in its dealings under the development agreement. Having external legal and design advice will ensure GLAP's interests in relation to the site are protected and a high quality scheme is delivered.

#### *Links to Mayoral strategies*

- 4.2 The decision links to Mayoral strategies and priorities as follows:
- Draft New London Plan (Policy H1) promotes the increase of supply of housing in general and affordable housing. The site will make a significant contribution to both LB Barking & Dagenham's and LB Havering's housing targets and meeting their affordable housing needs; and
  - Draft New London Plan (Policy H5) outlines a strategic target for 50% of all new homes delivered across London to be affordable and specifically on public sector land. The site will deliver 50% affordable housing.

#### *Conflicts of interest*

- 4.3 There are no known conflicts of interest to note for any of those involved in the drafting or clearance of this decision.

### **5. Financial comments**

- 5.1 The decision seeks approval for expenditure of up to £250,000 over the next five financial years of this project.

5.2 The expenditure will come from the existing Land and Property revenue budget. The allocated budget for Beam Park over the next five financial years (20/21, 21/22, 22/23, 23/24 and 25/26) totals £250,000.

5.3 Indicatively, the expenditure will be spent as follows:

	20/21	21/22	23/24	24/25	25/26
<b>Legal costs</b>	£67,500	£40,000	£40,000	£40,000	£22,500
<b>Design review costs</b>	£3,750	£5,000	£5,000	£5,000	£1,250
<b>Other incidental costs</b>	£3,750	£5,000	£5,000	£5,000	£1,250
<b>Total</b>	<b>£75,000</b>	<b>£50,000</b>	<b>£50,000</b>	<b>£50,000</b>	<b>£25,000</b>

5.4 The approved lifetime expenditure for Beam Park is £860,000. Actual spend to date is £829,449.

## 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:

- Promoting economic development and wealth creation in Greater London;
- Promoting social development in Greater London; and
- Promoting the improvement of the environment in Greater London.

6.2 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.

6.3 Sections 1 and 2 of this decision form indicate that the Mayor has the power to agree to the decision set out above.

## 7. Planned delivery approach and next steps

Activity	Timeline
Phase 1 start on site	February 2019 - achieved
Phase 1 Practical completion date	August 2022
Phase 2 start on site	June 2020
Phase 2 Practical completion date	July 2024
Future phases	March 2022 – December 2030

### Appendices and supporting papers:

None.

**Public access to information**

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) 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 it has been approved or on the defer date.

**Part 1 – Deferral**

**Is the publication of Part 1 of this approval to be deferred? NO**

Until what date: (a date is required if deferring)

**Part 2 – Sensitive information**

Only the facts or advice that would be exempt from disclosure under FoIA should be included 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:**

Patrese Foster has drafted this report in accordance with GLA procedures and confirms the following:

✓

**Sponsoring Director:**

Rickardo Hyatt has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

**Mayoral Adviser:**

David Bellamy has been consulted about the proposal and agrees the recommendations.

✓

**Advice:**

The Finance and Legal teams have commented on this proposal.

✓

**Corporate Investment Board**

This decision was agreed by the Corporate Investment Board on 10 February 2020.

**EXECUTIVE DIRECTOR, RESOURCES:**

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

Signature

*M. D. Ollie*

Date

10.2.20

**CHIEF OF STAFF:**

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

*D. Bellamy*

Date

10/2/2020.

