

# DD2393 London Business Rates Pool -Industrial Intensification Delivery

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[Home](#) > [Decisions](#) > **DD2393 London Business Rates Pool -Industrial Intensification Delivery**

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## Key information

**Decision type:** Director

**Reference code:** DD2393

**Date signed:** Monday 19 August 2019

**Decision by:** Rickardo Hyatt, Executive Director of Housing and Land

## Executive summary

Mayoral Decision 2363 (MD2363) approved the allocation of £90.89 million from the Strategic Investment Fund to 13 projects, including £1 million to fund Industrial Intensification Delivery Strategies. In addition, MD2363 delegates authority for detailed project level approval to the relevant Greater London Authority Executive Director through Director's Decision (DD).

Following a competitive procurement exercise, this DD seeks approval of revenue expenditure to appoint the successful bidder, Karakusevic Carson Architects to provide design and masterplanning services for the Staples Corner Delivery Strategy, which straddles the London Boroughs of Brent and Barnet. The funding for this commission will be drawn from the £1 million allocation described above.

## Decision

That the Executive Director of Housing and Land approves:

Expenditure of £94,300.44 from the £1 million approved allocation for the Industrial Intensification Delivery Strategies contained within the Strategic Investment Fund to facilitate the appointment of Karakusevic Carson Architects (KCA).

## Part 1: Non-confidential facts and advice

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## Introduction and background

1.1. The Mayor, the London boroughs and the City of London Corporation, with the agreement of the government, established the London Business Rates Pool for 2018-19. The Mayor's agreement to the GLA's participation in the pool was set out in Mayoral Decision 2217. The main financial benefit of the pool is that London retains 100 per cent of any growth in business rate income over and above the baseline set by central government.

1.2. It was agreed by the Mayor and the government that he would commit all the GLA's share of the net additional benefit of pooling on strategic investment projects. In accordance with this agreement, the Mayor created a £112 million Strategic Investment Fund (SIF) that he will use to fund strategic projects.

1.3. MD2363 approved an allocation of £90.89 million from the Strategic Investment Fund. The Industrial Intensification Delivery Strategies were awarded £1 million of funding to enable the development of modern industrial floorspace and new affordable homes, to meet the objectives of the draft London Plan.

1.4. The Industrial Intensification Delivery Strategies will provide a deliverable framework and design proposition for how sites on industrial land (designated and non-designated) can be intensified and consolidated to protect and enhance capacity, whilst allowing for release in parts to accommodate housing delivery to meet multiple objectives.

1.5. The funding has been allocated to prepare up to six delivery focused strategies for large areas of industrial land across London, that could provide the basis for up to 18,000 new homes and 144,000 square metres of industrial capacity. The strategies are intended to build planning confidence of partners to deliver projects through industrial intensification, in accordance with policy E7 of the draft London Plan. The strategies will help both the relevant London Boroughs and GLA colleagues implement policy to facilitate affordable housing and deliver intensified industrial capacity to serve London's economy.

1.6. The project value was estimated based on specialist inputs, including design teams and a multi-disciplinary commercial team providing agency, delivery and planning advice.

1.7. The commercial team has been appointed to advise across all six pilot areas (DD2283), the next stage of the work is to appoint design teams for each pilot area to complete the masterplan, hence this DD to approve the appointment of Karakusevic Carson Architects for Staples Corner. The cost of appointing Karakusevic Carson Architects is within the budget allocated for this specialist input.

1.8. GLA Officer's procured this work through the GLA's Architecture Design and Urbanism Panel 2 framework. Five bids were received, and Karakusevic Carson Architects ranked highest overall. Karakusevic Carson Architects will undertake the commission from September 2019 to February 2020, at a cost of £94,300.44 (excluding VAT).

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## Objective and expected outcomes

2.1. The objectives of the Staples Corner Pilot Area Industrial Intensification Delivery Strategy, as agreed by the GLA, London Boroughs of Brent and Barnet, are to:

- Increase overall industrial floorspace capacity within Staples Corner in areas retained as Strategic Industrial Land (SIL), in accordance with policies E4-E7 of the draft new London

Plan;

- Plan for the intensification of industrial uses in SIL to free up some SIL land to provide opportunities for new housing, including co-location in discrete locations;
- Inform plan-making, including Brent's draft Local Plan and a potential future Supplementary Planning Document (SPD) for Staples Corner;
- Lobby for investment in critical rail and other infrastructure to support regeneration and growth and improve connections;
- Justify investment in direct delivery of the strategy, through sources such as the GLA's Land Fund; and
- Bring forward development without disrupting and causing long-term negative impacts on existing businesses.

2.2. The design work will help to identify, visualise and confirm the sub-areas within the large area of SIL in Staples Corner to develop into further detail, and explore opportunities for intensification, release and co-location. The options will be tested before specific sub-areas are confirmed.

2.3. The confirmed sub-areas, which will be parcels of land within the SIL that have most potential, will be masterplanned to test development capacities, typologies and design options, within a coherent movement and access framework that provides opportunities to improve upon existing arrangements and develop new ones.

2.4. The outputs will help to inform the spatial strategy for Staples Corner, which may support the preparation of a future SPD, that the boroughs have expressed an appetite for.

2.5. As the London Borough of Brent is a 'provide' capacity borough which means that the Borough must provide additional industrial capacity, the Delivery Strategy and Masterplan will provide clarity on how best to increase industrial capacity to meet identified demand.

2.6. The work may support land acquisition, land assembly and investment by the GLA, the Local Authority, landowner or investment partner of the GLA. The Delivery Strategy and Masterplan will seek to reduce planning risk and demonstrate deliverable and compliant proposals.

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## **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 and project design process, due regard has (and will be) had to the 'three needs' outlined above. The industrial sector employs hundreds of thousands of people in London; potential intensification of industrial land use will protect

jobs in the industrial sector and retain a resilient economy that serves Londoners. The housing shortage in London disproportionately negatively affects people with certain protected characteristics; increasing the supply of housing and affordable housing will help to achieve positive impacts in line with the 'three needs'.

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## **Other considerations**

### Key risks and issues

4.1. Karakusevic Carson Architects would enter into a contract with the GLA to complete the commission in accordance with their tender submission and agreed price.

4.2. The supplier has confirmed that they will work within the internal governance arrangements of the GLA and will work collaboratively with the GLA, Brent, Barnet and the appointed commercial team. This will ensure that the masterplan is deliverable.

4.3. The London Borough of Brent have been part of the procurement process, and a representative scored the bids and was on the moderation panel. The London Borough of Barnet confirmed that they did not want to be part of the procurement process.

### Links to Mayoral strategies and priorities

4.4. Good growth, as outlined in the draft London Plan -protection of London's industrial sector is pivotal to the success of London's economy, in serving residents and businesses as well as creating value through production of goods. The Staples Corner masterplan would meet all the key pillars of Good Growth; through making the best use of land, growing a good economy that is resilient to change and delivering homes in an integrated and sustainable way that meets London's need. The design team will demonstrate the principles of good growth in their Masterplanning outputs.

4.5. Industrial protection and intensification –a key aspect of the draft London Plan is policy E7 that marks a significant departure from previous London Plans. The Staples Corner masterplan is intended to bring forward development in accordance with draft policy E7. The design team will work in accordance with the GLA's Practice Note on industrial intensification.

4.6. Affordable housing delivery - The Staples Corner masterplan should deliver a minimum of 35% affordable housing, which reflects the policy position in the draft London Plan. Without a masterplan-led approach, there can be no release of SIL for housing or co-located development.

4.7. Housing delivery -The recent Strategic Housing Land Availability Assessment undertaken by the GLA shows that London has a capacity for 64,935 new homes a year, 55% of which will be in Outer London. The Staples Corner project will contribute to this target.

### Impact assessments and consultations

4.8. There has not been any impact assessment or consultation, beyond the procurement process.

### Conflicts of Interest

4.9. The GLA's Gifts and Hospitality Policy and Procedure has been reviewed in relation to this Director Decision and there are no conflicts of interest to declare.

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## Financial comments

5.1. The decision requests approval for revenue expenditure of £94,300.44 (excluding VAT) to appoint Karakusevic Carson Architects to support the preparation of Industrial Intensification Delivery Strategy for Staples Corner. Karakusevic Carson Architects were selected for the role following a competitive procurement exercise using the GLA's ADUP 2 framework.

5.2. The above expenditure will be funded from the £1 million allocation approved by MD2363 from the Strategic Investment Fund.

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## Legal comments

6.1. Under section 30(1) of the Greater London Authority Act 1999 (as amended) ("GLA Act"), the GLA has the power to provide the funding for the proposed intervention providing it considers that doing so will further one or more of its principal purposes of: promoting economic development and wealth creation, social development, and the improvement of the environment in Greater London.

6.2. In exercising the power contained in section 30(1) of the GLA Act, the GLA must have regard to the matters set out in sections 30(3-5) including the impact on health, health inequalities, sustainable development and climate change and its consequences and equality under section 33 of the GLA Act and section 149 of the Equality Act 2010, which is set out above.

6.3. Transport for London (TfL) have managed the procurement process on behalf of the GLA and are responsible for drafting the contract with the successful bidder.

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## Activity table

| Activity                | Timeline       |
|-------------------------|----------------|
| Procurement of contract | August 2019    |
| Commission Start Date   | September 2019 |
| Commission End Date     | February 2020  |
| Project Closure         | March 2020     |

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# Signed decision document

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