

	<p style="text-align: center;"><b>Assets, Regeneration and Growth Committee</b></p> <p style="text-align: center;"><b>11 July 2016</b></p>
<p style="text-align: right;"><b>Title</b></p>	<p><b>Brent Cross Cricklewood – Gowling WLG and Bilfinger GVA Contract</b></p>
<p style="text-align: right;"><b>Report of</b></p>	<p>Interim Deputy Chief Executive and Commissioning Director, Growth and Development</p>
<p style="text-align: right;"><b>Wards</b></p>	<p>Child’s Hill, Golders Green and West Hendon</p>
<p style="text-align: right;"><b>Status</b></p>	<p>Public</p>
<p style="text-align: right;"><b>Urgent</b></p>	<p>No</p>
<p style="text-align: right;"><b>Key</b></p>	<p>No</p>
<p style="text-align: right;"><b>Enclosures</b></p>	<p>Appendix 1 Brent Cross Cricklewood – Gowling Wragge Lawrence Graham (UK) LLP DPR Appendix 2 Bilfinger GVA DPR</p>
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<h3>Summary</h3>
<p>This report seeks approval to vary the value of the existing contract with Gowling WLG (formerly Wragge Lawrence Graham &amp; Co LLP) up to the end of the financial year 2017-2018 with a further review in April 2018. In addition it retrospectively reports the variation of the value of the existing contract with Bilfinger GVA to cover the costs of specialist services to June 2016</p>

<h3>Recommendations</h3>
<p><b>1. That the Committee approve the variation of the contract value of the existing contract between the Council and Gowling WLG’s to allow the Council to make payment on costs incurred to April 2018, subject to a successful review in March 2017.</b></p>
<p><b>2. That the Committee note the update on the price review for both Gowling WLG and Bilfinger GVA</b></p>

### **3. As set out in the exempt report.**

#### **1. WHY THIS REPORT IS NEEDED**

- 1.1 This report is needed to approve the variation of the contract value of the existing contract between the Council and Gowling WLG to allow the Council to make payment on costs incurred for specialist legal services with a review to be conducted in April 2018.
- 1.2 Following a competitive procurement process, Wragge Lawrence Graham & Co LLP (now Gowling WLG) were appointed to provide specialist legal advice and support on the Brent Cross Cricklewood scheme.
- 1.3 In order for the Council to continue receiving specialist advice from Gowling WLG on the scheme, a variation is required on the contract value. The continuation of consistent specialist legal advice and support is required and this variation will increase the contract value to cover payment on costs to April 2018. A review will be undertaken at that time to confirm whether a further contract value variation may be required after this date.
- 1.4 A variation of the contract value was approved in April 2016 under Contract Procedure Rule 15.2, emergency waiver, with the requirement to retrospectively report to Policy and Resources Committee setting out the reasons for such emergency waiver. This report will be going to Committee in September 2016.

#### **2. REASONS FOR RECOMMENDATIONS**

- 2.1 The Council continues to require specialist legal advice and support for the Brent Cross Cricklewood scheme and Gowling WLG are best placed to provide this.
- 2.2 The specialist legal advice/support was procured and the contract prices are based on hourly/day rates and this is billed according to usage. Clause 2.2 of the contract with Gowling WLG also provides for change (Variation of Contract Services) as long as the legal advice relates to the Brent Cross Cricklewood Scheme. There is a risk that if a variation of the contract value is not approved the specialist legal advice may be withdrawn which may impact on the delivery of the Brent Cross Cricklewood scheme.
- 2.3 The reasons for the total spend on the contract are detailed in section 5.2 of Appendix 1.

### **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 There are no suitable alternative options. After the Council conducted a competitive procurement process Gowling WLG were the most economically advantageous tender and they were appointed on this basis.
- 3.2 Gowling WLG continue to provide advice on the Brent Cross Cricklewood Scheme and are operating within the existing terms and conditions of the contract. If the contract value is not varied, the Council will be unable to pay any future costs (and where relevant any outstanding fees); this will impact on the ability to continue to use Gowling WLG to achieve the continuation of service delivery that the Brent Cross projects require.
- 3.3 Terminating the existing contract and embarking on a new procurement process would take several months and cause a severe slippage in the programme. In addition and where any new provider were appointed as a result of such process, knowledge accrued by the incumbent provider would need to be transferred, assimilated and understood which may impact the programme further. Therefore, it is not recommended to undertake a new procurement process for this area of work, as this approach will lead to a delay in delivering several key elements of the programme.

### **4. POST DECISION IMPLEMENTATION**

- 4.1 The contract, including the contract value, will be reviewed at the end of the 2017 financial year following review in March 2017, prior to the contract continuing in 2018 to determine if there is requirement for a further variation.

### **5. IMPLICATIONS OF DECISION**

#### **5.1 Corporate Priorities and Performance**

- 5.2 The regeneration of Brent Cross Cricklewood supports the Council's Corporate Plan 2015-20 which states that the council will work with local, regional and national partners to strive to ensure that Barnet is a place:
  - of opportunity, where people can further their quality of life
  - where people are helped to help themselves, recognising that prevention is better than cure
  - where responsibility is shared, fairly
  - where services are delivered efficiently to get value for money for the taxpayer
- 5.3 The Growth Strategy for Barnet recognised that regeneration and growth are vital for ensuring the future prosperity of the Borough and maintaining Barnet as a successful London suburb. The scheme to transform Brent Cross Cricklewood will play a major role in delivering this prosperity, doubling the

size of the shopping centre and linking seamlessly to a new town centre for Barnet and North London across the North Circular Road. Brent Cross Cricklewood is one of Barnet's priority regeneration areas, and will provide approximately 7,500 new homes over the next 20 years. It is a key part of the wider revitalisation of the A5 corridor, linking Brent Cross Cricklewood with developments at West Hendon, Colindale and Edgware and improvements to Cricklewood Town Centre, to create a series of high quality modern suburbs.

**5.4 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

**5.5 Finance**

5.6 As set out in the exempt report

5.7 The Bilfinger GVA contract is now completed, and going forward Capita Real estate will be advising on the Brent Cross Regeneration Scheme through a Workshare Agreement.

5.8 As set out in the exempt report

5.9 Under the terms of the Collaboration Agreement signed by the Council and the Development Partners, Hammerson/Cricklewood Regeneration Limited and Standard Life are obliged to pay the Council's consultants costs in connection with this project. In relation to Brent Cross Cricklewood South, the Council has entered into a Joint Venture with Argent Related and within this arrangement; there is provision for the Council to recover its costs from Argent Related from April 2016 onwards.

5.10 All costs referred to in this report are paid through the revenue account, but are reimbursed from the development partners other than in respect of the Council costs in relation to acting as landowner within the Brent Cross South JVLP, whereby costs will be recovered through future capital receipts in respect of the Council's land contribution.

**5.11 Social Value**

5.12 As indicated in sections within this report, the Brent Cross Cricklewood programme will secure wider social, economic and environmental benefits. The Gowling WLG contract will help to ensure that the Council meets its objectives to deliver comprehensive regeneration of the Brent Cross Cricklewood Area.

**5.13 Legal and Constitutional References**

5.14 The Council's Contract Procedure Rules (CPRs) at Appendix 1, Table A set out the requirements for variation/extension of an existing contract. In the circumstances and if within budget, acceptance will be by full officer DPR to the relevant thematic committee.

5.15 We are advised that the contract was let after a competitive procurement

process and that the provider, Gowling WLG (formerly Wragge Lawrence Graham & Co LLP) was appointed based on the most economically advantageous tender. We are further advised that the proposed modification to the existing contract is provided for in the original procurement and contract documents.

- 5.16 HB Public Law where instructed will advise the client department with regard to any contractual changes which may be required to reflect any modification. Those existing terms and conditions of contract not modified will continue to apply to future advice.

5.17 **Risk Management**

- 5.18 As Gowling WLG's appointment as provider was in compliance with the Council's CPRS and public procurement requirements variation of the contract value is likely to be low risk

5.19 **Equalities and Diversity**

- 5.20 It is not envisaged that this appointment will result in a detrimental effect on any resident(s) with 'protected characteristics', over and above the effect on those without 'protected characteristics', due to the universal nature of the service being provided. The council understands that it has an obligation to meet its public sector equalities duty under the Equality Act 2010 including where public functions are delivered on its behalf by other organisations and will do everything necessary to ensure that there is continuing compliance with this duty.

5.21 **Consultation and Engagement**

- 5.22 It is not considered that this issue will require consultation with service users, as these decisions relates to the extension of existing contracts, within the contractual terms, following a robust procurement process.

5.23 **Insight**

- 5.24 Contract monitoring meetings will be held on annual basis to ensure that costs are continually reviewed.

## 6. BACKGROUND PAPERS

- 6.1 Cabinet, 29 March 2005 (Decision Item 6) – agreed to enter into a Collaboration Agreement with the development partnership (Cricklewood Regeneration Limited, Hammerson and Standard Life).

<http://barnet.moderngov.co.uk/CeListDocuments.aspx?Committeeld=120&MeetingId=265&DF=29%2f03%2f2005&Ver=2>

- 6.2 Cabinet Resources Committee, 25 March 2008 (Decision Item 16) – approved the outline terms so far agreed with the Brent Cross North Partners and Cricklewood Redevelopment Limited, including the proposals for the finalisation of the financial terms, be approved in principle subject to the outcome of Counsel’s advice on procurement issues, and that the finally agreed terms for the Development Framework Agreement and the Property Development Agreements be reported to a future meeting of the Cabinet for approval.

<http://barnet.moderngov.co.uk/Data/Cabinet%20Resources%20Committee/200803251900/Agenda/Document%2015.pdf>

- 6.3 Cabinet Resources Committee, 19 October 2010 (Decision Item 5) – approved the changes to the terms and conditions of the Development Framework Agreement and the two Property Development Agreements regarding Brent Cross Cricklewood (as considered and approved by Cabinet in October 2009)

<http://barnet.moderngov.co.uk/CeListDocuments.aspx?Committeeld=151&MeetingId=446&DF=19%2f10%2f2010&Ver=2>

- 6.4 Cabinet Resources Committee, 18 April 2013 (Decision Item 14) - noted that the Brent Cross Cricklewood Development Partners wished to modify the existing planning consent to allow re-phasing; approved that the Director for Place begin preparations to enable the Council to procure a development partner to deliver the regeneration of the southern parts of Brent Cross Cricklewood Regeneration Area and confirmed the continued appointment of the external advisors for the Brent Cross Cricklewood Regeneration project, and the procurement of appropriate additional advice, and to delegate authority to the Director for Place to deal with necessary contractual issues or arrangements.

<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=151&MId=6759&Ver=4>

- 6.5 Cabinet Resources Committee, 18 April 2013 (Decision Item 14) - noted that the Brent Cross Cricklewood Development Partners wished to modify the existing planning consent to allow re-phasing; approved that the Director for Place begin preparations to enable the Council to procure a development partner to deliver the regeneration of the southern parts of Brent Cross

Cricklewood Regeneration Area and confirmed the continued appointment of the external advisors for the Brent Cross Cricklewood Regeneration project, and the procurement of appropriate additional advice, and to delegate authority to the Director for Place to deal with necessary contractual issues or arrangements.

<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=151&MId=6759&Ver=4>

- 6.6 Assets, Regeneration and Growth Committee dated 9 July 2014 approved the procurement of a partner for the Brent Cross Cricklewood South development through an OJEU Negotiated route in accordance with the Brent Cross South Procurement and Delivery Strategy, and approved the Council's requirements for the Brent Cross Cricklewood South opportunity; and noted procurement timetable and that to meet this timetable an additional meeting would be needed to approve the selection of a preferred partner, which would be called in accordance with statutory requirements and the Council's constitution.

<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=7960&Ver=4>

- 6.7 Assets, Regeneration and Growth Committee dated 15 December 2014 noted progress on the Brent Cross Cricklewood project.

<http://barnet.moderngov.co.uk/documents/s19845/BXC%20update%20-%20Publish.pdf>

- 6.8 Delegated Powers Report (11 February 2015) re-confirm approval of Wragge Lawrence Graham & Co legal appointment to the Brent Cross Cricklewood Scheme.

- 6.9 Full Council dated 3 March 2015 approved the appointment of Argent and Related Companies PLC (Bidder Z) as the Council's preferred development partner for the Brent Cross Cricklewood South Scheme; the selection of Gateway Barnet consortium comprising Far East Consortium, Countryside Properties and Notting Hill Housing Trust (Bidder Y) as the Council's reserve development partner for the Brent Cross Cricklewood South Scheme; authorise Officers to work up the Business Plan, Project Agreement and documentation necessary to form the joint venture for consideration and approval by Assets, Regeneration and Growth Committee prior to formally entering into the joint venture contract and authorised the Commissioning Director (Growth and Development) to determine the exact structure of the joint venture arrangement.

<http://barnet.moderngov.co.uk/documents/g7819/Public%20reports%20pack%2003rd-Mar-2015%2019.30%20Council.pdf?T=10>

- 6.10 Assets, Regeneration and Growth Committee dated 30 November 2015 approved the terms for the amendments to the Brent Cross Property Development Agreement and Co-operation Agreement and authorised the Chief Executive in consultation with the Leader of the Council to agree the detail of the Brent Cross Property Development Agreement and Co-operation Agreement and any required subsequent changes in the associated commercial documentation; noted progress on land acquisitions within the CPO red line boundary and that the CPO Inquiry for Brent Cross Cricklewood CPO1 and Brent Cross Cricklewood CPO 2 is scheduled for 17 May - 17 June 2016; approved the Brent Cross South Joint Venture Structure that will inform the Project Agreement and documentation necessary to form the Brent Joint Venture; noted the establishment of the Shadow Joint Venture Board and gave approval for the terms of reference for Shadow Shareholder Board for the Brent Cross South Joint Venture to be drawn up including a process for appointing Members for agreement at the next practicable meeting of the Council; and noted progress on the Thameslink Station project, in particular the station design and funding strategy.

<http://barnet.moderngov.co.uk/documents/s27725/Brent%20Cross%20Cricklewood%20Project%20update.pdf>

- 6.11 Council 1 March 2-16 noted the report of Assets, Regeneration and Growth Committee on 30 November 2015 as attached at Appendix 1 which approved the Joint Venture Structure and authorised the establishment of a Shadow Shareholder Board for the Brent Cross South Joint Venture, and that its terms of reference and membership to be drawn up for Council approval; noted the Brent Cross South Joint Venture Structure at Appendix 3 attached to the report of the Assets, Regeneration and Growth Committee on 30 November 2015; approved by the Committee on 30 November 2015; agreed the terms of reference for the Shadow Shareholder Board for the Brent South Joint Venture as outlined in paragraph 2.15; agreed that the composition and Membership of the Shadow Shareholder Board be agreed, as per paragraphs 2.13 and 2.14 of the report; noted the decisions outlined in Appendix 2 which will be required by the Shadow Shareholder Board as detailed in the Project Agreement and Shareholder and associated documentation necessary to form the Brent Cross South Joint Venture; and noted that the Project Agreement, Shareholder Agreement and associated documentation will be reported to Assets, Regeneration and Growth Committee on 17 March 2016 for approval and that that report will recommend that the Chief Executive be authorised in consultation with the Leader to finalise the documentation.

<http://barnet.moderngov.co.uk/documents/s29974/Report%20to%20Council%20Report%20->



[%20Report%20of%20Assets%20Regeneration%20adn%20Growth%20Com  
mittee%20-%20Brent%20Cross%20Cricklew.pdf](#)

- 6.12 Delegated Powers Report (29 April 2016) re-confirm approval of Wragge Lawrence Graham & Co legal appointment to the Brent Cross Cricklewood Scheme and approve contract value extension
- 6.13 Delegated Powers Report (06 June 2016) approve contract value variation for Bilfinger GVA to June 2016 and note the change of company name from GVA Grimley to Bilfinger GVA.