

## Brent Cross South

Procurement and Delivery Strategy  
May 2014

## Quality Management

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# 1. Executive Summary

This report provides a proposed methodology and plan for the procurement of a development Partner for the London Borough of Barnet at Brent Cross South. In doing so this report describes and advocates a four stage OJEU Negotiated Route, the intention being to have identified a preferred Partner through a procurement process by March 2015. The finalisation and engrossment of formal contractual arrangement with the preferred Partner will be subject to certain obligations that the bidding parties will, to an extent, themselves describe through the bidding process.

This paper also describes the need for the creation of an Evaluation Panel, with appropriate delegated authorities to commence a procurement programme and to report on a preferred Partner.

The processes advocated in this report are intended to respond to the Council's need for a long term but flexible arrangement to deliver the best physical, social and economic outcomes for both the current and future residents and business at Brent Cross and the wider borough.

## 2. Introduction

This report details the procurement methodology that is recommended to form the basis of the London Borough of Barnet's process for procuring a development Partner to realise the potential of Brent Cross South.

In simple terms, although the Council has outline consent for the land and control over much of the property there are a number of 'moving parts' over which the Council is not likely to be able to demonstrate to the market that it has full control by end of Q2 2014. These include the

- implementation of the Shopping Centre proposals (including the delivery of early infrastructure),
- delivery of the train station,
- viability of the whole scheme.

However, the routes to managing these issues are clearly identified and generally the market seems very excited by the project.

The challenge then facing the Council is to procure a Partner to work closely with it to deliver Brent Cross South over a prolonged period of time (20 years or more).

### 2.1 The opportunity

'Brent Cross South' (BXS) is a constituent part of the wider 'Brent Cross Cricklewood' (BXC) site which extends to 151ha and represents a significantly underused area of brownfield land. The planning consent aims to deliver a comprehensive redevelopment of the area including more than 7,500 homes and over new 25,000 jobs.

Planning Permission (Ref No: C/17559/08) for the comprehensive regeneration of the BXC site was granted on 28 October 2010, and revised through a s.73 application in 2013/4. Subject to the signing of the Section 106 agreement, the subsequent planning application has been designed to facilitate phased delivery, starting at the existing Shopping Centre.

To date the Brent Cross Cricklewood scheme has been jointly promoted by the London Borough of Barnet ("LBB"), Hammerson and Standard Life Investments ("HSL"). In 2014 the LBB and HSL will sign a 'co-operation agreement' that will result in the Council taking lead responsibility for delivery of land to the

south of the North Circular and a commitment from HSL to deliver the infrastructure with which to service the Primary Development Package (PDP, – see Appendix B for detail) of the consented scheme. This package of work describes the key infrastructure that must be delivered before the shopping centre development can commence. This infrastructure includes a range of cost items south of the North Circular.

The southern section of the consented BXC masterplan (i.e. Brent Cross South) is equivalent in gross floor area to that of Mayfair (some 15million sqft) and has the potential to become a significant new destination for London.

Capita has been working with Re and LBB since January 2014 to consider how best to identify and secure a Development Partner to help realise the potential of the southern section of the wider Cricklewood masterplan. It is acknowledged that the new partner may wish to revisit the detail, content and phasing of the consent.

In arriving at a recommended process, the consultant team has produced what it understands the Council's key requirements to be in a partner. It is important that these requirements are considered, and if appropriate, approved. Through a procurement process, it is essential that the procuring body is specific about what it wants to achieve and is consistent throughout the process. The Council will need to confirm that it is satisfied that the requirements below are accurate. No further testing of these requirements will be possible for the duration of the procurement process.

## 2.2 Key requirements

We believe that the following characteristics should form the key requirements in a Development Partner (i.e. what 'good' looks like)

1. Experience in delivering (financing and constructing) 'Placemaking' through large scale, phased development
2. Track record of working successfully in partnerships with the public sector and other third parties
3. Experience in appointing and managing large professional teams to conceive and produce large scale masterplans and to secure detailed planning consents for mixed use development within them

4. A well established internal team with the human and financial resources to be a long term development Partner

The Council has set itself an ambitious time frame within to identify a preferred development Partner through a procurement process (March 2015 – timetable at Appendix A). We believe that this should be possible to achieve by keeping the objectives of the procurement strategy proportionate to the current status of the opportunity so that the Council and its Partner retain the flexibility to adapt the strategy as progress is made.

We believe therefore that any ‘project level’ financial commitments will have to be agreed first at a ‘Partnership level’ (corporate or contractual). i.e. the Partners agree to a programme of work with future activity guided by a set of agreed financial and economic parameters which will have been established through a competitive tender process.

### 2.3 Project vs Corporate level Partnerships

In simple terms, when entering in to Joint Ventures, parties can choose to structure the relationship around either project specific agreements or broader corporate agreements. For example, a project specific example would be where one party commits a plot of land, with detailed planning permission, against which the partner would commit the build costs to implement the consent and share in the value created. The alternative approach might be that two parties enter in to an arrangement to go and buy an as yet unspecified opportunity. In doing so they would make ‘corporate’ commitments to generate value using their combined resources.

In most cases, a procuring land-owning authority will seek to invite parties to enter in to ‘project’ level commitments through the bidding process, perhaps on a conditional basis (subject to planning consent, for example). In this scenario, bidding parties would be invited to describe an indicative development scheme, provide a schedule of build costs and an assessment of value. This will result in a ‘price’ for the land being agreed, subject to a range of variables. The benefit of this approach is that the competitive tension assists in minimising and holding down build costs. Perversely, this process often delivers up the party that also submits the most ambitious sales values. The gap between sales prices and build costs is what generates the largest land value and profit. The pressure between driving down costs and boosting sales values can often come at the expense of overall scheme quality. This is where a ‘corporate’ relationship is beneficial. Having both parties aligned at a level detached from the project specifics can facilitate closer working and better regeneration outcomes.

On balance and due to the scale of the Brent Cross South opportunity, the amount of work required to fully form the vision and test the viability and deliverability of the site, we do not consider that procuring at a 'project' level in a competitive (bidding) environment is conducive to achieving the best outcomes for the Council. We believe that the time required will be substantial, as would the costs and in a competitive environment it will be off-putting to a range of parties and reduce the field of potential Partners.

We believe that the Council is better positioned in the long run by finding the right Partner with which to develop the proposals in more detail (subject to a range of performance measures and Key Performance Indicators (KPIs)). In summary, we propose that the Council procure a Partner based on a corporate, rather than project specific, relationship. We believe that this will not only ensure the broadest range of interest in the opportunity but will also help create the right conditions for a long term relationship. This route will create the flexibility that the Council require to be able to approach this project and meet all of its objectives.



## 3. Soft Market Testing

'Soft market testing' is an approved methodology for engaging with private sector companies to understand their views on a scheme and the potential procurement processes available to the Council.

To commence a process of soft market testing a Prior Information Notice (PIN) was placed in the Official Journal of the European Union (OJEU) on 12<sup>th</sup> March 2014 to coincide with MIPIM which took place between 11<sup>th</sup> and the 14<sup>th</sup> March. 26 expressions of interest were received from the PIN and MIPIM and all were invited to meet with representatives from Capita. Acceptances were received from 15 of these parties. Following these 'first stage' meetings two parties have confirmed that the opportunity is not right for them at this stage. Of the 13 remaining parties that met Capita a cross section was identified that provided the Council with a good range of experiences and views. The shortlisted parties were invited to attend meetings with lead Officers on the week commencing 27<sup>th</sup> April. These meetings were held to further explore how these companies might approach this opportunity and what their opinions are. For the avoidance of doubt, the Council is not obliged to speak to all parties as long as the process is handled fairly and no advantage is conferred on any party through the process. The Cabinet Office has made it clear that local authorities are free to "speak to a proportionate number of potential suppliers in relation to the market size. This will help to ensure that the process is not overburdened by speaking to every conceivable potential supplier." Those chosen had specific experiences which were felt to be directly relevant to forming an appropriate procurement structure for this opportunity.

### 3.1 Feedback to date

In terms of the first round meetings, the key comments from developers can be summarised as follows

- This is a major opportunity and the actual nature of any procurement option (Negotiated, Competitive Dialogue, Co-investor) will not in itself affect their decision to pursue it. Having said that, the vast majority would prefer it not to be Competitive Dialogue due to cost and time concerns.
- In procuring a development partner it is essential that the Council present a clear vision and set of corporate objectives against which Parties are able to tender against. The Council needs to be specific and consistent with these objectives.
- All but one of the parties agreed that the introduction of a new train station is vital to the success of the scheme

- Capita has described to the parties the idea of procuring a partner based on a Business Plan, rather than a 'priced' masterplan and this has been received with interest.
- Keeping it simple is a mantra that is widely supported. Acknowledging that the partnership will need to be capable of establishing a long term business model will be crucial to success. The partnership will need to be flexible to cope with unforeseen events and circumstances.
- The key individuals from both sides will need to be committed to the project. All Parties asked after Officers' delegated authorities or mentioned that the lead individuals need to be able to take key decisions.
- "Placemaking" is key, but difficult to test. A common suggestion is that at PQQ the Council ask where the Parties have done it before and where can we see the results of their approach. The idea of a Placemaking Workshop during the procurement and selection process was cautiously welcomed provided the Council is able to adhere to procurement legislation and not cherry pick ideas from the Parties.
- Bidders are not likely to look at the project on the basis of an overall investment. I.e. they will not be making decisions based on overall Internal Rate of Return (IRR), for example, due to the uncertainties on delivery and the ordering of phases. The project will be viewed as a series of standalone, individually viable phases.
- Parties felt that viability 'hurdle rates' are a useful way of ensuring phased delivery over time. Questions arise as to how the partners will agree the content for Phase 1 and how the partner can demonstrate intent to commence.
- Financial capacity testing of bidding entities is a matter which draws out diverse opinions. Large and well capitalised firms are of the opinion that it is fair to require evidence of funds whereas smaller firms maintain that the 'ability' and 'track record' in raising finance will suffice.
- Securing finance is likely to be done on a phase by phase basis. When drawn in to commenting in more detail, the general view is that debt will be secured against the title for each phase with the partner placing equity in as required. On this basis, it was felt that the returns to both parties need to be able to reflect varying levels of financial commitment throughout the project. This might best be achieved through a series of wholly owned Special Purpose Vehicles.
- If the Council can proceed with CPO then it should not wait for the Partner if it doesn't have to.
- Key Performance Indicators (KPIs) will be a useful way of managing the partnership. The question arises of what are the penalties for failing to meet the commitments?

## 4. The Council's objectives

In initiating the procurement of a development partner we have been informed that the Council's objectives are as follows:

- The Council sees Brent Cross Cricklewood as an opportunity to extend Barnet's success as a desirable and attractive suburb, by creating **a new urban village for London which sets the tone for future evolution of the borough more widely**. Brent Cross Cricklewood will be a place that makes residents, workers and visitors feel good – inviting people to meet and spend time in the spaces, and to walk or cycle. It will be animated at street level and connect with high quality parks, green spaces and nearby waterways.
- Brent Cross South will complement the expanded Brent Cross shopping centre, and invite visitors to the shopping centre to cross into the new town centre. The site is at risk of being seen as an island, and the new development will need to tackle this risk, **integrating effectively with the surrounding neighbourhoods**.
- Brent Cross Cricklewood will be a place for **people of all ages**, with housing mix that reflects different life stages, **a range of housing tenures**, and public spaces which are accessible to all. **Promoting health and wellbeing and reducing dependency** will be ingrained in the place – for example by incorporating dementia friendly design. It will maintain Barnet's tradition of educational excellence.
- As a growing, successful suburb of a growing successful world city, Barnet benefits from a strong local economy as well as providing a home to many people who work in central London. This emphasis on **a strong local economic base is a key requirement for Brent Cross Cricklewood** – it cannot simply be a dormitory. The Borough's economy is predominantly made up of small and micro businesses, including many home based businesses, and the new Brent Cross Cricklewood will cater for this entrepreneurial community which increasingly blurs the distinction between home and work.
- The Council expects this blurring between home and work life to extend to the design of the new development, with **strong integration between the residential and commercial areas**, and no areas that are seen as 'dead' at particular times.

- Brent Cross Cricklewood will have excellent public transport links, allowing people to reach other parts of Barnet, London and the Country easily. While many people are likely to own cars they are unlikely to be needed on a day to day basis and the space will **not be dominated by the car**.
- Many residents are under financial pressure, and the Council is committed to taking account of this in its actions. This means that **low energy bills** and responsible service charges will be important aspects of the new community.

To meet these requirements the Council will require a long term partner with

1. Experience in delivering (financing and constructing) 'Placemaking' through large scale, phased development
2. Track record of working successfully in partnerships with the public sector and other third parties
3. Experience in appointing and managing large professional teams to conceive and produce large scale masterplans and to secure detailed planning consents for mixed use development within them
4. A well established internal team with the human and financial resources to be a long term development Partner

## 5. Procurement strategy

Based on the considerations above, the following procurement strategy has been devised to meet the Council's objectives;

- A Partner is to be identified on the basis of its understanding of the Council's objectives and requirements, ability to work in Partnership, stated commitments and financial capacity to execute the required Business Plan. The stated commitments will include a range of placemaking, commercial and financial matters.
- A vision will be developed between the parties through the negotiation procedure and before the creation of a formal joint venture partnership.
- The Partner is afforded a period of time to work with LB Barnet and the key external stakeholders (Network Rail, Hammerson, GLA etc) to set the vision, finalise a masterplan and obtain the required consents. This time will be as described and specified in the second round bidding stage. Note that due to Hammerson's position it is unlikely that delivery on BXS can commence prior to 2016 which provides a natural window for this work.
- Subject to an appropriate scheme being established, and third party interests being aligned, the Partner will then have the opportunity to enter in to a formal Joint Venture with the Council through which the scheme may be implemented. This Joint Venture (or a wholly owned subsidiary) will receive land from the Council and investment and expertise from the Partner.
  - It is expected that the Partner will work 'at risk' (unsecured) until such time as implementation becomes feasible. This means that the party will incur costs for which the returns are only guaranteed if it satisfies both itself and the Council that its plan meets all the stated requirements and is viable. As part of the bidding process, Parties will be invited to submit what tests they consider to be the appropriate criteria for defining 'feasible' and how the Joint Venture should be formalised. We expect criteria to include the implementation of Hammerson's PDP and confirmation on the train station funding and timing.
    - Note: we do not expect the Council's costs to be met during this period. Some parties have expressed concern that the balance of power in this time sits

entirely with the Council. It will be important to demonstrate to the market that the Council is as aligned as possible with the preferred Partner during this time. Incurring costs is a good way of doing this.

- At the point that the preferred partner is selected, a mechanism for calculating the Council's financial return will be agreed. This methodology will have been set out at ITN stage - as part of the bidding process, Parties will be invited to describe how this process will work. We suggest that this is based on an open book formal valuation, on a phase by phase basis. This process involves the independent assessment of the build costs and values of a phase which, less all fees and profit requirements, delivers a land value to the Council. This is a well understood and established approach that will also allow the Council to satisfy s.233 of the Town and Country Planning Act 1990. A detailed explanation of why s.233 is to be relied on was delivered to the Council by Eversheds in October 2010. The deal will be structured in a way to ensure that the Council receives best consideration for its land and also a reflection of the wider commitments and investment that have been and will be committed going forward.
- Failure to implement the scheme (or particular phase), despite meeting the stated criteria may be used by the Council as an opportunity to render the agreement void and to allow the Council to tender the specific opportunity.

## 5.1 Securing and managing delivery

It is proposed that the Council and a Partner enter in to an equally controlled Joint Venture (JV) to establish and own a Business Plan for Brent Cross South. We propose that the two parties are to enjoy equal voting rights on the form and content of the Business Plan, subject to dispute and deadlock resolution controls. A suggestion from the soft testing process is that this company may benefit from an independent Chairman whose role is to ensure that decisions are made in the interests of the JV and not one or the other member. The Business Plan will describe the actions required to meet the vision shared by the parties, and through this route the JV will guide the activity, roles, responsibilities and obligations of the two institutions.

Subject to adhering to the Business Plan, the procured Partner will essentially be free to implement the scheme in line with its own skills and expertise. This freedom to operate on a 'day to day' basis has been reported through the soft market testing process to be an essential feature for such a relationship to be a

success. The Business Plan will also describe the processes for managing and 'curating' the scheme to deliver on the Placemaking agenda.

The Business Plan needs to

- set the vision for the project,
- a strategy of how this will be realised,
- roles and responsibilities, including voting rights
- financial commitments
- Priority returns, returns on investment
- a programme for delivery
- detailed plan of action
- key performance indicators
- dispute resolution

The Business Plan will be a live document capable of being reviewed as required.

The actual returns to the Council will be agreed on a phase by phase basis, probably through a series of wholly JV-owned 'Special Purpose Vehicles' (SPVs). The returns are likely to vary over time and by phase although, at the outset, no bidding party will be able to accurately specify what returns the Council might expect. As such, we suggest that the procurement of a Partner can in part be informed by the nature and extent of performance indicators and financial tests that the prospective parties are willing and able to commit to as part of the initial bidding process. Note the distinction between equal voting rights to inform and guide the business plan as compared to the junior role that the Council should expect through the actual phase by phase delivery process.

Example performance indicators and 'tests' could include

- target profit on cost,
- priority returns,

- share of surpluses (overage)
- development management fees,
- timing/longstops,
- caps and collars on expenditure,
- corporate guarantees and
- the definition of 'viable'.

We believe that it will be reasonable to expect shortlisted Parties to produce an outline Business Plan as part of their selection process to become the Council's preferred Partner. The proposed key performance indicators (development management fees, returns, longstops, obligations for the SPVs) would be taken in to a contract with the Council. We suggest that the Council should provide shortlisted bidding Parties with a partially completed Business Plan that includes detail on the Council's requirements, delegated authorities and suggested KPIs.

#### *5.1.1 Backstop provision*

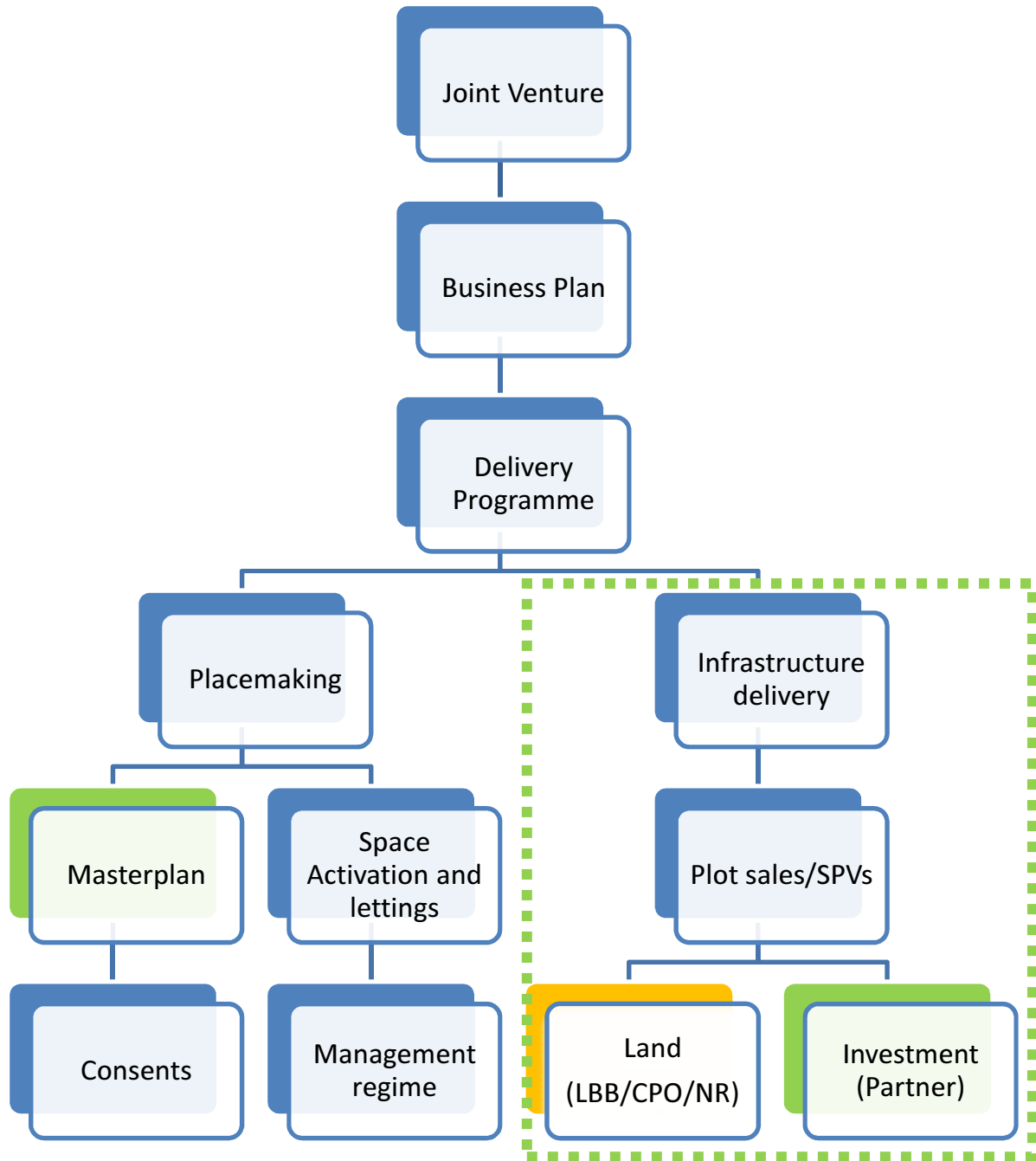
Given the need to maintain progress and momentum, we suggest that a 'backstop' position is introduced to the Business Plan. This backstop position would be created by inviting the bidding teams to identify what a first phase would comprise, based on the extant outline consent. The Parties would be invited to declare what they would implement in the event that their alternative plans proved unrealistic or too complex to progress in a timeframe that is acceptable to the Council.


Further consideration on the implications of failing to meet KPIs is required. It may be that a certain amount of priority return can be placed 'at risk', if any or all of the KPIs are not met. It might also be that the Partner will be expected to revert to the backstop provision in the event that key dates and processes are not undertaken.

The Board of the Joint Venture will be made up of representatives from both the Council and its Partner and receive regular progress reports from both Parties. Failure to meet the objectives of the Business Plan will carry contractual and/or financial penalties.

The diagram overleaf suggests how delivery and Placemaking might be structured under such an arrangement.





 Delivery Partner's responsibility, subject to conforming to the Business Plan

## 6. Procurement route selection

In February, Capita and Eversheds reported to Governance Board that LBB “may have other lawful options beyond the [OJEU] Negotiated Procedure or Competitive Dialogue”. The alternative was referred to as the ‘co-investor’ route and it was suggested that, subject to confirmation that Barnet’s requirements can be fully satisfied through this route, it is a viable option. At the time of reporting, it was stated that a decision on the route to be taken was not required at that stage.

Through the PIN, MIPIM and soft market testing exercise the team has sought the market’s view as to the optimum procurement route to minimise risk and maximise the benefit to the Council. It has become clear in this process that although the ‘co-investor route’ is an option, the importance of ‘Placemaking’ activity is likely to demand a development management ‘service’ from the Partner. The ‘co-investor’ route would demand that any ‘services’ be separately procured. An OJEU route specifically allows for the provision of services and therefore it is suggested that the Council’s best interests are likely to be served through the OJEU procurement route. This should enable the Partner to bring and engage its skill and experience in Placemaking, without the need to revert to a further procurement process.

In terms of OJEU procurement, Eversheds have advised that based on the approach described above, that the Negotiated Route will be available (as opposed to Competitive Dialogue) but it is not without some procurement risk. This route should not only allow the process to be undertaken in the required time frame but also aligns with feedback received during the soft market testing process.

Essentially, the procurement will comprise a four stage process.

1. Pre-qualification Questionnaire (PQQ)
2. Invitation to Negotiate (ITN) (3-5 Parties)
3. Pre-contract business plan (single Party)
4. Finalising and engrossing the contract

The detail of this methodology is covered in the next section.

The key risks and options for mitigation are addressed in section 10.

## 7. Procurement methodology

As stated above, essentially, the procurement will comprise a four stage process.

1. Pre-qualification Questionnaire (PQQ)
2. Invitation to Negotiate (ITN) (3-5 Parties)
3. Pre-contract business plan (single Party)
4. Finalising and engrossing the contract

This section details the evaluation criteria and scoring mechanism for the Pre-Qualification Questionnaire and Invitation to Negotiate stages. Due to commercially sensitive nature of this information, it is attached at Appendix 3 of the main Committee report as an exempt item.

## 8. The Evaluation Team

The Governance and Partner Selection structure is attached at appendix A of this report.

The Evaluation Panel will be set up in June and will report to the Chief Executive through the Brent Cross Cricklewood Governance Board as shown on the Governance and Partner Selection diagram. It is suggested that the Chief Executive is provided with delegated authority to

- 1) finalise the scoring mechanism and criteria for both PQQ and ITN, and
- 2) to identify and recommend to a future Committee meeting a preferred partner that meets the Council's long term aspirations for the land at Brent Cross Cricklewood.

The Evaluation Panel will be required to undertake the following and report to the Chief Executive through the BXC Governance Board;

1. To finalise the scoring mechanism and criteria for both PQQ and ITN,
2. To review all PQQ submissions and to nominate preferred shortlist for ITN stage. It is envisaged that this process will require a commitment of not less than two working weeks (in September '14). Capita's Development Agency team, in conjunction with your lawyers, will provide a summary report against which the Panel members will be invited to review against each submission. The Panel will convene to meet (over perhaps two working days) and agree scores and selection to ITN.
3. Provide a report with recommendations to the Brent Cross Cricklewood Governance Board to shortlist between three and five bidders at the ITN stage. The update will be supported by a written statement by your lawyers that the scoring process has been robustly undertaken and with a highlight report on any risks apparent.
4. In preparation for the ITN stage, the Evaluation Panel will work with Placemaking consultants, Mindfolio, who will facilitate a workshop to create a Balanced Scorecard for future use in the evaluation process. This process will help the individuals on the panel to understand what matters are important to the Council and how to look for appropriate evidence in the eventual submissions. This will be reviewed by the Chief Executive through the Brent Cross Cricklewood Governance Board.

5. At ITN stage it is proposed that Mindfolio, the Council, RE and Capita's Development Agency team will hold a single meeting with each of the shortlisted bidders to help them understand the Council's Placemaking agenda. The Parties will not be guided to a solution but the sessions will be used to convey the details of what the Council is hoping to achieve.
6. At the point that submissions are invited, the Panel is to review all submissions in detail and score against pre-defined criteria. The Panel is to receive presentations from each of the shortlisted parties and deliberate on the preferred partner. The Panel will make a formal recommendation to the Chief Executive through the BXC Governance Board to the appropriate committee and be based solely on the evaluation criteria. It is suggested that the time commitment at this stage will be not less than two working weeks (January/February '15).

A series of presentations may also be given to a Stakeholder Panel or Panels which may comprise a wider range of Officers and Members from the Council and key stakeholders and community groups. The Panel(s) will be free to ask questions and their comments will be provided to the Evaluation Panel, but will play no part in the formal decision-making process. The market will expect to understand this process and that the Brent Cross Governance Board has the authority to ensure momentum through to the nomination of a preferred party. The Panel should not be too widely drawn as to become unwieldy and should comprise individuals with a detailed working knowledge of the project and with experience in the delivery of major development projects.

At the point of nomination to Committee, it must be recognised that the Committee only has the power to approve or reject the Panel's recommendation. A rejection at this stage will essentially close the procurement process and require a fresh start.

It has been proposed that for the purpose of identifying a preferred partner, the Governance Board be supplemented by the addition of a third party expert ('critical friend') who may be able to comment on any procedural or procurement risks through the process.

## 9. Timetable

This timetable provides guidance on when the Evaluation Panel members will be required to be present.

<b>9<sup>th</sup> July 2014</b>	<b>ARG to approve procurement process</b>
Mid-July '14	Internal Placemaking workshop with Mindfolio
w/c 21 <sup>st</sup> July 2014	OJEU notices/adverts placed, marketing material issued. (not conditional on the Placemaking workshop)
10 <sup>th</sup> September '14	Pre-Qualification Questionnaires returned
w/c 22 <sup>nd</sup> September '14	Sub-panels meet to score PQQ submissions
w/c 29 <sup>th</sup> September '14	Full Evaluation Panel meets to moderate scores and to shortlist parties
Friday 3 <sup>rd</sup> October '14	Shortlist agreed and [3-5] parties provided with Invitations to Negotiate (ITN) and invited to meeting with Placemaking sub panel
w/c 6 <sup>th</sup> November '14	Placemaking subpanel workshops and introduction to ITN process
w/c 8 <sup>th</sup> December '14	Second placemaking subpanel workshop
Thursday 29 <sup>th</sup> January '15	Tender submissions received by London Borough of Barnet.
w/c 16 <sup>th</sup> February '15	Presentations to the Council and Stakeholders by tendering companies
w/c 16 <sup>th</sup> February '15	Sub-panels meet to score ITN submissions
w/c 23 <sup>rd</sup> February '15	Full Evaluation Panel meets to moderate scores and to shortlist parties
Late Feb/early March '15	Selection of preferred bidder by Assets, Regeneration and Growth Committee
March 10-13 2015	MIPIM – target deadline for announcement of preferred bidder
March 15 – March 2016	Pre-contract business plan (single Party) Finalising and engrossing the contract

## 10. Risks

All procurement processes carry a certain element of risk

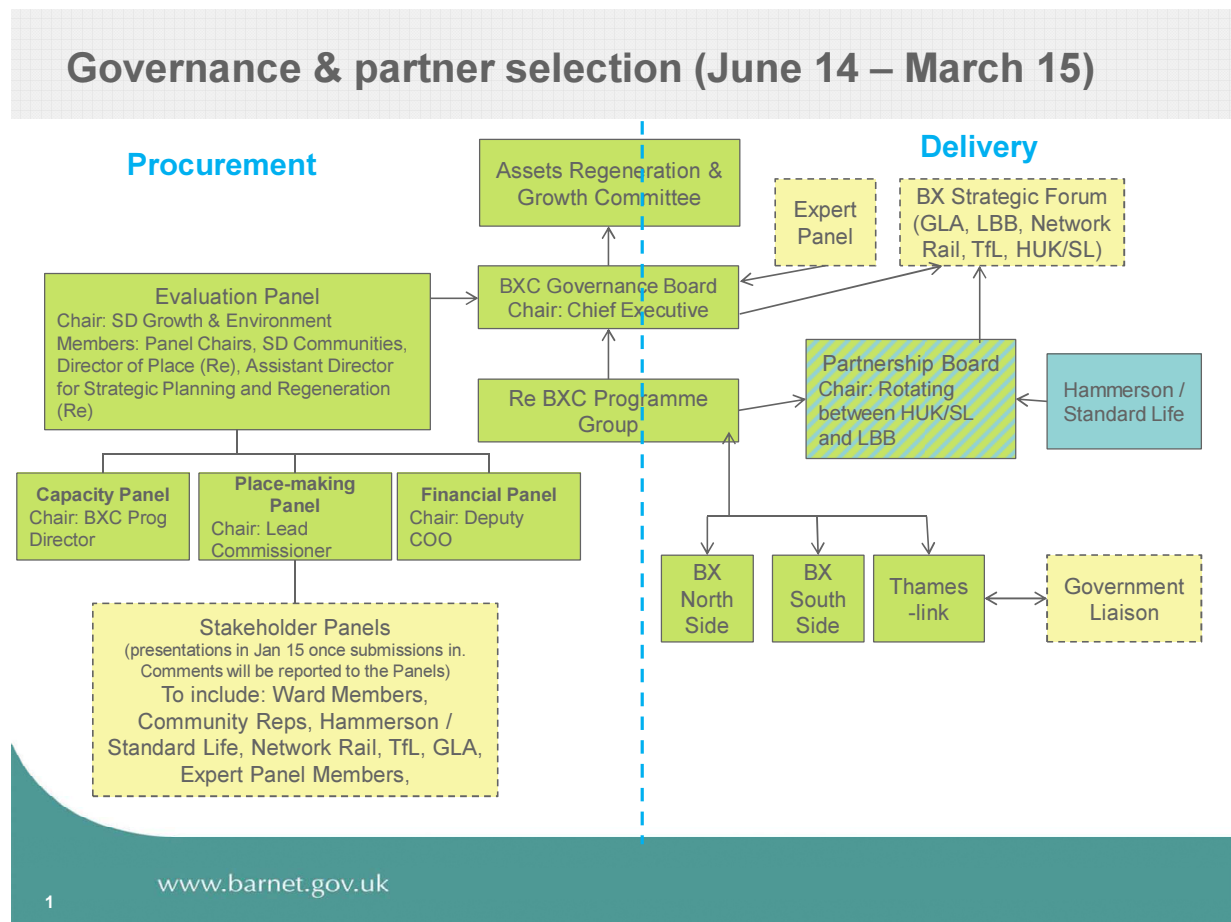
In terms of the process presented within this paper the key risks are considered to be as follows

	<b>Risk</b>	<b>Impact</b>	<b>Likelihood/Mitigation</b>
1	Objection to the use of Negotiated Route and not Competitive Dialogue	Developer of a competing scheme or vexatious landowner could seek to halt the process on grounds of route selection.	Low likelihood. Eversheds confirmation that the negotiated route would be available.
2	Lack of responses to PQQ	Insufficient number of parties express an interest in the opportunity.	Low likelihood. PIN and soft market testing has confirmed strong appetite
3	Rejection of the opportunity at ITN	Insufficient number of parties express an interest in the opportunity to maintain competitive tension	Low likelihood. PIN and soft market testing has confirmed strong appetite. Details of the ITN process to be made public at PQQ stage.
4	Objections to method for process/scoring/outcomes	Rejected firm questions the basis that they are not selected.	More likely. This is a high profile opportunity and no party will be content with being de-selected. Evaluation Panel to ensure robust mechanism and consistent approach to scoring.
5	Failure to agree on a business plan	Would prevent the creation of the JV and halt the procurement process.	Low likelihood. The preferred partner will have declared their programme of work for the Business Plan and have already fixed many commercial aspects.
6	Failure to agree commercially acceptable terms for the Council	Reduced competitive tension at the creation of the JV could undermine the achieving of best value	Low likelihood as key financial measures will have been fixed through the bidding process and subsequent appointments will be tendered in the interests of the JV.
7	Failure to agree on a viable scheme	If parties cannot agree on a jointly supported scheme there will be no delivery	Low likelihood. The partner will be invited to describe a backstop for phase 1 and a deadlock process for resolving

			disagreement.
8	Failure to secure finance for the new train station	Most parties are of the strong view that the train station will be an essential infrastructure item for the delivery of Brent Cross South.	Medium risk, subject to ongoing work with GLA and Treasury. TIF funding through 'enterprise zone' is probably the most robust way to secure this.
9	Reliance on Hammerson/Standard Life Investments to implement Brent Cross North consent and works to the south of the North Circular	No scheme. The southern development cannot proceed unless Brent Cross North goes unconditional.	Low/medium risk. All reports are that Hammerson/Standard Life will implement the consent. There is also a potential risk of Judicial Review.



# Appendix A – Governance Structure



## Appendix B – Primary Development Package

An Indicative Primary Development Package Layout Plan is shown on Parameter Plan 019

Key elements of this PDP include the following:

- Redevelopment of areas of surface level car parking to the east and west of the shopping centre for new retail and mixed use plots, and a multi storey car parks;
- Creation of new Brent Cross and Market Squares (Ref M2 and M3 on Parameter Plan 003) to act as anchors to the development, linked by the new A406 Bridge (B1) and the Living Bridge (B7);
- Removal of Clarefield Park, compensated by improvements to Claremont Park and Clitterhouse Playing Fields and temporary open space;
- Modifications and improvements to the River Brent as well as beneath the two internal vehicular roundabouts, and associated Brent Riverside Park works including the Nature Park (ref NP4 on Parameter Plan 003);
- Re-provision and expansion of Claremont Primary School;
- Residential development adjacent to Brent Terrace;
- Creation of a new foodstore, representing a replacement to the existing facility in the Eastern Lands;
- Replacement of A406 Templehof Bridge (B1);
- Living Bridge (B7);
- A406 Brent Cross Ingress/Egress junction works;
- A41/A406 junction works;
- M1/A406/A5 junction works;
- Brent Cross Bus Station;
- Improvements to BX pedestrian underpass;
- Diversion of Prince Charles Drive;
- The entire mixed use development in Brent Cross East Zone;
- 1,998 sq.m of flexible community space within Brent Cross East and 1,000sq.m in Market Quarter zones;
- Temporary health centre in the Market Quarter zone;
- Neighbourhood policing unit in the Market Quarter;
- Brent Terrace Green Corridor (Ref GC7 in Parameter Plan 003);
- Claremont Avenue linking Claremont Road with Tilling Road;
- Claremont Road junction north;
- Cricklewood Road/Claremont Road junction works;
- Scheme wide CHP facility (where individual buildings are brought forward in advance of this facility, individual CHP or other facilities may be employed and connected to the scheme wide facility at a later date). The building will have a maximum and minimum footprint of 60 x 60m and 20 x 20m respectively;
- Cricklewood Lane A407/A5 junction works;
- WHF and new junction with the A5

