

**DELEGATED POWERS REPORT NO.****1830****SUBJECT:** Brent Cross Cricklewood Southern Development - Property and Financial Advice Tender Acceptance (Contract no: 505710)

Control sheet

**All of the following actions MUST be completed at each stage of the process and the signed and dated report MUST be passed to the Governance Service for publishing**

<b>All reports</b>		
1. Governance Service receive draft report	Name of GSO Date	Anita Vukomanovic 16/10/12
2. Governance Service cleared draft report as being constitutionally appropriate	Name of GSO Date	Anita Vukomanovic 16/10/12
3. Finance clearance obtained ( <i>report author to complete</i> )	Name of Fin. officer Date	Hayley Corke 22/10/12
4. Staff and other resources issues clearance obtained ( <i>report author to complete</i> )	Name of Res. officer Date	N/A N/A
5. Strategic Procurement clearance obtained ( <i>report author to complete</i> )	Name of SPO Date	Nanette Young 19/10/12
6. Legal clearance obtained from ( <i>report author to complete</i> )	Name of Legal officer Date	Tobenna Erojikwe 30/10/12
7. Policy & Partnerships clearance obtained ( <i>report author to complete</i> )	Name of P&P officer Date	Andrew Nathan 23/10/12
8. Equalities & Diversity clearance obtained ( <i>report author to complete</i> )	Name of officer Date	Andrew Nathan 23/10/12
9. The above process has been checked and verified by Director, Head of Service or Deputy	Name Date	Councillor Cornelius 21/11/12
10. Signed & dated report, <u>scanned or hard copy</u> received by Governance Service for publishing	Name of GSO Date	Anita Vukomanovic 21/11/12
11. Report published by Governance Service to website	Name of GSO Date	Anita Vukomanovic 27/12/12
12. Head of Service informed report is published	Name of GSO Date	Anita Vukomanovic 27
<b>Key decisions only:</b>		
13. Expiry of call-in period	Date	
14. Report circulated for call-in purposes to Business Management OSC members & copied to Cabinet Members & Head of Service	Name of GSO Date	

**ACTION TAKEN BY CABINET MEMBER (EXECUTIVE FUNCTION)**

**Subject** **Brent Cross Cricklewood Southern Development - Property and Financial Advice Tender Acceptance (Contract no: 505710)**

**Cabinet Member** Leader and Cabinet Member for Regeneration

Date of Decision 21 November 2012

Date of decision comes into effect 21 November 2012

<b>Summary</b>	To seek authorisation to appoint GVA to provide strategic property and financial advice in relation to the rephasing of the Brent Cross Cricklewood project.
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**Officer Contributors** Susan Curran, Interim Regeneration Manager, Strategic Planning and Regeneration.  
Tony Westbrook, Head of Regeneration, Strategic Planning and Regeneration.

**Status (public or exempt)** Public (with separate exempt report)

**Wards affected** Childs Hill and Golders Green

**Enclosures** None

**Reason for exemption from call-in (if appropriate)** N/A

**Key decision** No

Contact for further information: Tony Westbrook, Head of Regeneration (Regeneration Service), 020 8359 7381.

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## **1. RELEVANT PREVIOUS DECISIONS**

- 1.1 Cabinet, 26 April 2004 (decision item 8) –adoption of the Cricklewood, Brent Cross and West Hendon Development Framework as Supplementary Planning Guidance.
- 1.2 Cabinet, 29 March 2005 (decision item 5) – approval of the terms of Cricklewood and Brent Cross Collaboration Agreement.
- 1.3 Cabinet, 5 December 2005 (decision item 7) – approval, amongst other matters, that
  - (i) the Eastern Lands Addendum be adopted as Supplementary Planning Guidance; and
  - (ii) the Eastern Lands Supplementary Guidance be incorporated into the Cricklewood, Brent Cross and West Hendon Development Framework.
- 1.4 Cabinet, 21 October 2009 (decision item 7) – approval of the Development Framework Agreement (DFA) and Principal Development Agreement (PDA) terms and conditions, subject to approval of the Brookfield Europe and Hammerson Guarantor companies by the Director of Finance and the Leader of the Council, and the approval of the appropriate land transaction and financial arrangements by the Secretary of State. The approval was also subject to agreement of the plans, the historic costs and the form of the legal documents.
- 1.5 Cabinet Resources, 19 October 2010 (Decision item 5) – approval of changes to the terms and conditions of the Development Framework Agreement (DFA) and the two Principal Development Agreements (PDA) regarding Brent Cross Cricklewood (as considered and approved by Cabinet in October 2009).
- 1.6 Cabinet Resources, 20 June 2012 (decision item 12) – approval for officers to proceed with the contract procurement activity for the 2012/13 financial year, as set out in Appendix 1 and Appendix 2 of the report, subject to budget availability. This included £250,000 for project consultancy costs.

## **2. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 2.1 Corporate Plan 2012 / 2013: Corporate Policy - A Successful London Suburb. The Corporate Plan 2012-13 commits the Council to the following three priorities which are all relevant in terms of the Brent Cross Cricklewood regeneration proposals:
  - Better services with less money.
  - Sharing opportunities, sharing responsibilities.
  - A successful London Suburb.

Through the 2010/2013 corporate priority, 'A successful London suburb', the regeneration of the Brent Cross Cricklewood area will provide residents with new housing opportunities, new jobs, improved retail, transport and leisure facilities, and a new town centre.

- 2.2 A sustainable community strategy for Barnet 2010-2020: Priority Objective – A Successful London Suburb. The Brent Cross Cricklewood project will support these objectives by providing residents with new housing opportunities, improved transport, retail, leisure and community facilities, new and improved open spaces, access to new employment opportunities, and a new town centre.
- 2.3 Barnet's Core Strategy Policy CS2 (Brent Cross Cricklewood) states that the authority will seek comprehensive redevelopment of Brent Cross Cricklewood in accordance with the London Plan, the saved UDP Policies and the adopted Cricklewood, Brent Cross and West Hendon Development Framework.
- 2.4 Barnet's Core Strategy Policy CS6 (Promoting Barnet's Town Centres) states that the London Borough of Barnet will promote Brent Cross Cricklewood as a new metropolitan town centre and an Outer London Development Centre.

### **3. RISK MANAGEMENT ISSUES**

- 3.1 The appointment of Property and Financial Advice for Brent Cross Cricklewood Southern development is essential to safeguard the Council's interests and to support the development of options to help bring forward the Brent Cross Cricklewood regeneration project.
- 3.2 The appointment was subject to a competitive tender. The fees that arise out of this appointment are being covered by the Brent Cross Development Partners (Hammerson UK plc and Standard Life Investments).
- 3.3 Having taken into account the above issues, it is not considered that the appointment of the Property and Financial Advisers will raise significant levels of public concern or give rise to policy considerations.

### **4. EQUALITIES AND DIVERSITY ISSUES**

- 4.1 The Council is committed to improving the quality of life and wider participation for all the economic, educational, cultural, and social and community life in the Borough. This is achieved by pursuing successful regeneration of the Borough's regeneration areas. This will benefit all sections of society and the Borough's diverse communities who are seeking housing and contribute to addressing the shortage of housing in the Borough across all tenures.

4.2 The development of Brent Cross will make a significant contribution to the provision of additional, high quality affordable housing units in the Borough as well as providing employment through the creation of a new town centre with leisure, health and educational facilities. The approach taken aims to secure the delivery of a cohesive and successful suburban environment which to address the deprivation which is concentrated in parts of the borough. The appointment of Property and Financial Advisors will facilitate the regeneration of Brent Cross Cricklewood, which in turn will help achieve the objectives described above.

## **5. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)**

### **5.1 Finance**

5.1.1 The fee quotes for the work to be carried out are set out in the exempt report. The fee quotes include a fixed fee for the first phase of work and fee estimates for phases 2 and 3. A break clause will apply after the end of each phase, with the option for the Council to progress to the next phase on either a fixed fee basis (based on an updated fee proposal for the phase) or a time charged basis

### **5.2 Procurement**

5.2.1 The procurement of the Property and Financial Advice has been undertaken using the Homes and Communities Agency's (HCA's) Framework Property Panel. The HCA's Property Panel was established following an extensive OJEU compliant process and provides a panel of approved consultants that local authorities and other public bodies can use. All consultants on the panel have been vetted and are governed by the terms and conditions for contracts which are set by the HCA. These terms and conditions are very similar to the Council's own terms for procurement.

### **5.3 Performance and value for money**

5.3.1 As per paragraph 5.1.2 above, the costs of this appointment are being covered by the Brent Cross Development Partners (Hammerson UK plc and Standard Life Investments).

### **5.4 Staffing, IT, Property or Sustainability issues**

5.4.1 There are no Staffing, IT, Property or Sustainability issues.

## **6. LEGAL ISSUES**

6.1 None other than those mentioned in the body of the report.

## **7. CONSTITUTIONAL POWERS**

- 7.1 The constitution under Contract Procedure Rules, paragraph 5.5 sets out that a Cabinet Member may, in relation to Works, Supplies and Services, accept tenders for contract sums that are above the threshold of £173,934 and below £499,999 where it represents value for money and is the best available option for the Council. Cabinet Members are required to consult with the Chief Finance Officer in respect of value for money and risk considerations.

## **8. BACKGROUND INFORMATION**

- 8.1 Brent Cross Cricklewood is one of London's major regeneration schemes and among the most significant planned new developments in Europe. The Regeneration Scheme is being driven by a partnership comprising the Cricklewood Brent Cross Development Partners (Hammerson and Standard Life Investments) and the London Borough of Barnet.
- 8.2 The Cricklewood, Brent Cross and West Hendon Development Framework, which sets out the key strategic principle for future developments in the regeneration area, was adopted by the council as Supplementary Planning Guidance (SPG) in April 2004 (revised in December 2005 to include the Eastern Lands as a new character area). This commission excludes West Hendon.
- 8.3 Brent Cross Cricklewood received outline planning consent from Barnet Council on 28<sup>th</sup> October 2010. To ensure that the planning conditions are met while also maintaining scheme viability, the Development Partners are proposing a rephasing of the current outline Consent. The intention is for the Council and the Development Partners to investigate options for bringing forward the Brent Cross Cricklewood regeneration project.
- 8.4 The appointment of the property and financial advisor is necessary to provide specialist support and expert advice in relation to the rephasing of Brent Cross Cricklewood and in the development of options to help bring forward the consented phases of Brent Cross Cricklewood. The appointed Advisor will be required to work closely with the Brent Cross Development Partners, as well as the Council.
- 8.5 As mentioned earlier in the report, the procurement of Property and Financial Advisor was undertaken using the HCA's Framework Property Panel. All consultants on the panel were invited to respond to a sifting brief which examined relevant past experience. This exercise resulted in a shortlist of 3 tenderers, who were invited to submit tender bids for the work.

- 8.6 Tender submissions were received from two companies and the evaluation results are set out in the exempt report. Following evaluation of the tender bids and clarification interview, it was felt that further clarification was required on a number of areas. Bidders were asked to respond to a tender addendum incorporating four further clarification questions. Bidders were also invited to present their responses at a second interview. Both the written responses to the tender addendum and the subsequent interview were evaluated by the Council's Interim Lead Commissioner – Regeneration and Enterprise.
- 8.7 A copy of the Invitation to Tender, the Invitation to tender addendum, and the tender evaluation results are included in the exempt report due to commercial sensitivity.
- 8.8 Following evaluation of the response to the tender addendum and subsequent interview, GVA's proposal is considered to be the most economically advantageous and to best meet the Council's requirements.

## **9. LIST OF BACKGROUND PAPERS**

- 9.1 None

## **10. DECISION OF THE CABINET MEMBER(S)**

### **I authorise the following action**

- 10.1 The appointment of GVA, to the Brent Cross Cricklewood – Property and Financial Advice Contract No 505710, to carry out the activities set out in the Invitation to Tender document, subject to the completion of all necessary legal documentation.
- 10.2 To enter into a non-disclosure/ confidentiality agreement with GVA regarding all documents that would be disclosed to GVA prior to the GVA's formal appointment as Property and Financial consultant for Southern Development of the Brent Cross Cricklewood scheme

**Signed** Leader and Cabinet Member for Regeneration

**Date** 21 November 2012