

## DMPC Decision – PCD 1561

**Title: Hendon Colindale Retender**

### **Executive Summary:**

MOPAC approved the disposal of the freehold interest in two circa 1 hectare sites at Hendon training centre in Colindale in February 2020, PCD697. The sites are part of a portfolio planning arrangement agreed with the Mayor, and the management of the disposal is being undertaken by the GLA using the London Development Panel 2 (LDP2).

In February 2022 (PCD1109) MOPAC approved the award of the preferred bidder status to the highest scoring bidder (Optivo, with Countryside as a partner in a joint venture) for the sale and development of the two sites at Hendon; MOPAC's entry into the development agreement, building leases and necessary ancillary agreements; and a delegation to the MOPAC Chief Finance Officer to finalise the detail of the development agreement, building leases and ancillary agreements.

Following the selection of the preferred bidder there were considerable changes in the market and as a result of these changes and the impact on the proposed development scheme, the scheme was no longer deliverable in line with the winning bid.

The GLA and MOPAC agreed that the bidders who had previously submitted a bid at Invitation to Tender (ITT) should be asked to re-submit tenders. This paper seeks approval for the appointment of Countryside as the preferred bidder as a result of this retender.

### **Recommendation:**

The Deputy Mayor for Policing and Crime is recommended to:

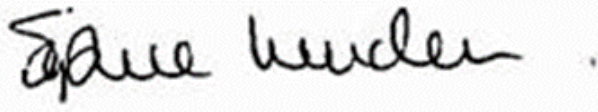
1. Agree the selection of Countryside as the preferred development partner for MOPAC's remaining surplus land at the former Peel Centre in Colindale
2. Approve MOPAC's entry into the project development agreement with the Greater London Authority (GLA) and Countryside for two of MOPAC's surplus sites at the former Peel Centre in Colindale, on the terms set out in part 2 of this decision;
3. Approve MOPAC entering into any necessary ancillary agreements envisaged in the development agreement and building leases to support the delivery of the scheme
4. Delegate authority to MOPAC's Chief Finance Officer to finalise the detail of the development agreement, building leases and ancillary agreements subject to them being consistent with the previous MOPAC decisions concerning the disposal.
5. Approve the additional £50,000 project costs to enable the project to progress to contract exchange

**Deputy Mayor for Policing and Crime**

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.

Signature



Date

19/12/2023

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

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

- 1.1. In February 2020, MOPAC approved the disposal of the freehold interest of two c.1ha sites at Hendon training centre in Colindale [PCD697]. In March 2021 MOPAC approved the revised terms for the arrangements for the disposal and the budget and funding for the costs of disposal [PCD890]. GLA and MOPAC entered a co-operation agreement with one another in March 2021 which set out how the parties will work together on this project, their respective roles and joint objectives.
- 1.2. In February 2022 MOPAC approved the selection of Optivo (who were put forward as lead bidder, as part of a joint venture arrangement with Countryside) as the preferred development partner and to enter into the project development agreement and building leases with Optivo and GLA [PCD1109].

### **2. Issues for consideration**

- 2.1. Following the selection of a preferred bidder, there were considerable changes in the market which included rising costs of construction, an increased Bank Rate and a requirement to incorporate a second means of escape in some residential buildings. As a result of these changes and the impact on the proposed development scheme, the preferred bidder was unable to commit to deliver the scheme it had bid and therefore the parties were not able to proceed to enter into the development agreement.
- 2.2. As the competition had not been completed by signing of the development agreement, GLA and MOPAC were able to 'step-back' to re-run the competition. Subsequently, in September 2023, bidders who previously submitted a bid at ITT stage were invited, through a re-opened mini-competition, to resubmit a proposal which reflected the current development landscape.
- 2.3. The re-submitted bids were evaluated using the same criteria as in the original procurement. The bidder who 'passed' all of the mandatory requirements with the highest overall weighted score was Countryside. Further details of Countryside's proposal can be found in part 2 of this decision.

- 2.4. Under the terms of the co-operation agreement entered into with GLA, MOPAC must approve the evaluation process and confirm agreement to the selection of the highest scoring bidder as the preferred delivery partner. In accordance with that process, the GLA provided to MOPAC in draft a Mayoral Decision form which reports the procurement process and its outcome – see Appendix 1.
- 2.5. This proposal supports MOPAC's Police and Crime Plan because the generation of capital receipts from the disposal of these sites will support the capital programme and re-investment in the retained estate and improvements in the digital infrastructure of the Metropolitan Police Service.
- 2.6. Subject to this decision by MOPAC, the GLA will progress the project by notifying the bidders of the outcome of the competition, allowing a two-week standstill period after which the preferred bidder can be formally awarded the contract. A project-specific development agreement and building lease will then be prepared. Once the developer has satisfied the conditions in the development agreement, they will be granted a building lease (one for each phase of the development) which will enable the developer to take an interest in the land and build out the scheme. The proposed delegation to the MOPAC Chief Finance Officer will assist with the efficient progress of the project.

### **3. Financial Comments**

- 3.1. The detail of the proposed offer by the preferred development partner is contained in the restricted section of the report.
- 3.2. Due to the delays to the project and re-procurement the project costs of the disposal for MOPAC has increased by £50,000. These costs will be funded from the capital receipt.

### **4. Legal Comments**

- 4.1. MOPAC's functions are set out at section 3(5) to (7) of the Police Reform and Social Responsibility Act 2011 ("the 2011 Act"). Section 3(6) of the 2011 Act provides that MOPAC must: a) secure the maintenance of the metropolitan police force, and b) secure that the metropolitan police force is efficient and effective.
- 4.2. The report confirms that the disposals will generate capital receipts that will assist MOPAC in securing the maintenance of the MPS and ensure that it is efficient and effective.
- 4.3. In addition, paragraph 7 of Schedule 3 to the 2011 Act provides that MOPAC may do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of the Office which includes acquiring and disposing of property (including land) (paragraph 7(2)(b)). It also includes entering into agreements (paragraph 7(2)(a)). MOPAC therefore has the power to dispose of land and enter into the agreements referred to above to ensure the disposal of the land and delivery of the scheme.

- 4.4. Paragraph 4.17 of the MOPAC Scheme of Consent and Delegation states that the DMPC has authority to approve “The disposal of all assets felt to be of an exceptional nature because of particular, sensitivities or potential public interest”
- 4.5. Paragraph 1.7 of the MOPAC Scheme of Consent and Delegation states that “...the DMPC may in addition, from time to time make specific delegations to officers within MOPAC...”

## **5. Commercial Issues**

- 5.1. The commercial process took the form of the re-invitation of those bidders who had previously submitted at the Invitation to Tender stage.
- 5.2. Following scoring of the proposals the bidder who passed all of the mandatory requirements with the highest overall weighted score was Countryside and therefore is recommended as the preferred development partner. Further detail is set out in the attached Appendix 1 and commercially sensitive details of this proposal are set out in the Part 2 papers.

## **6. GDPR and Data Privacy**

- 6.1. MOPAC will adhere to the Data Protection Act (DPA) 2018 and ensure that any organisations who are commissioned to do work with or on behalf of MOPAC are fully compliant with the policy and understand their GDPR responsibilities.
- 6.2. The proposal does not use personally identifiable data of members of the public, so there are no GDPR issues to be considered.

## **7. Equality Comments**

- 7.1. MOPAC is required to comply with the public sector equality duty set out in section 149(1) of the Equality Act 2010. This requires MOPAC to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations by reference to people with protected characteristics. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 7.2. The procurement process required the provision of affordable housing across the two sites which was consistent with the portfolio agreement, and required bidders to prepare an equality, diversity and inclusion (EDI) action plan. The GLA confirm that the preferred development partner has included a strong EDI action plan that will be captured in the development agreement. Further detail is set out in Appendix 1.

## **8. Background/supporting papers**

- 8.1. Appendix 1 GLA Mayoral Decision - MD3199 MOPAC Colindale Sites

**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 MOPAC website following approval.

If immediate publication risks compromising the implementation of the decision it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

**Part 1 Deferral:**

Is the publication of Part 1 of this approval to be deferred? YES

If yes, for what reason: to allow the GLA to notify bidders of the outcome and the standstill period to pass before the decision is published

Until what date: 31 March 2024

**Part 2 Confidentiality:** Only the facts or advice considered as likely to be exempt from disclosure under the FOIA should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a **Part 2** form – YES

**ORIGINATING OFFICER DECLARATION**

*Tick to confirm statement (✓)*

**Financial Advice:**

The Strategic Finance and Resource Management Team has been consulted on this proposal.

✓

**Legal Advice:**

The TfL legal team has been consulted on the proposal.

✓

**Equalities Advice:**

Equality and diversity issues are covered in the body of the report.

✓

**Commercial Issues**

Commercial issues are covered in the body of the report.

✓

**GDPR/Data Privacy**

GDPR compliance issues are covered in the body of the report.

✓

**Drafting Officer**

Alex Anderson has drafted this report in accordance with MOPAC procedures.

✓

**Director/Head of Service:**

The interim MOPAC Chief Finance Officer and Director of Corporate Services has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.

✓

**Chief Executive Officer**

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

**Signature**

*Hanahuchford.*

**Date** 18/12/2023