

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2191

Title: London Development Panel 2 – Additional Expenditure

Executive Summary:

This paper seeks approval for additional expenditure in the procurement of the London Development Panel 2 (LDP2); above that approved through the first MD for LDP2 (MD2068).

The LDP is the Mayor's framework of 25 residential developers and contractors. It is used by public land owners and registered housing providers to appoint development partners for their sites. The current panel expires in November 2017 and LDP2 will replace it.

Decision:

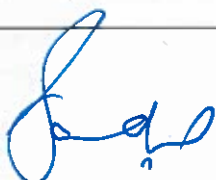
The Mayor approves the additional expenditure required to support the procurement of the London Development Panel 2.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision, and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

27/11/17

PART I – NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Background

- 1.1 The Mayor gave approval to procure a new London Development Panel (LDP2) in December 2016. LDP2 will replace the current panel, which will expire in November 2017. The LDP is the Mayor's framework of 25 residential developers and contractors. It is used by public land owners and registered housing providers to appoint development partners for their sites.
- 1.2 LDP2 is currently being procured via an OJEU compliant restricted procedure. For further details on the scope of LDP2 and the process to procure the panel please refer to MD2068.
- 1.3 Good progress has been made to date. The first stage of the procurement process is complete and shortlisted bidders have now been invited to tender. The tender deadline is 15 December and the new panel will be announced in spring 2018.
- 1.4 MD2068 gave approval for the expenditure required to support the procurement process. This paper seeks approval for additional expenditure to support the procurement process through to completion.

2. Expenditure Increase

- 2.1 MD2068 provided approval for £200,000 of expenditure to support the procurement process for LDP2 across 2016/17 and 2017/18. This is to fund the following:
 - Legal support – advising on procurement regulations, reviewing the tender documents and preparing the framework agreement;
 - Development consultancy support – advising on the preparation of the tender documents and the assessment of tenders; and
 - Comms – advertising the procurement opportunity in trade press and mainstream media.
- 2.2 This was based on an estimate of the level of support required before the advisors had provided their fee estimates for the work. To date, £171,421 of the £200,000 approved expenditure has been spent.
- 2.3 It is estimated that a further £70,000 is required to see the procurement exercise through to completion. This increase is required because:
 - The level of legal support required is higher than originally estimated. An expanded and comprehensive suite of new call-off contracts has been prepared as well as a new framework agreement. Lawyers will also prepare comprehensive guidance notes to accompany the documents. Extensive procurement advice has been, and will continue to be, required to ensure the tender documents and tender process are compliant with EU regulations. Legal support will also be required to tailor and complete the framework agreements once the panel is selected;
 - External specialist support has been required to test the health and safety competence of first round bidders. Significant specialist support will also be required to assess the health and safety elements of the tenders when they are received;
 - Additional support will be required from the appointed development advisors who will have more tenders to assess than originally envisaged. The finance section of the tender has been expanded so there will be more per bidder to assess which will incur an additional cost.
- 2.4 It is estimated that £55,000 will be required in 2017/18 and a further £15,000 in 2018/19. Headroom in the Land and Property Programme budget has been identified to cover this additional expenditure.

3. Financial comments

- 3.1 MD2068 provided approval for £200,000 of expenditure to support the procurement process for LDP2 across 2016/17 and 2017/18. This Decision seeks a further £70,000 as the level of Legal support is higher than originally estimated. It is estimated that £55,000 will be required in 2017/18 and a further £15,000 in 2018/19. The additional budget will be funded from Land and Property Programme.

4. Legal comments

- 4.1 Section 30 of the Greater London Authority Act 1999 (as amended) (GLA Act) gives the Mayor a general power to do anything which he considers will further one or more of the principal purposes of the GLA as set out in section 30(2) which are:
- i. Promoting economic development and wealth creation in Greater London;
 - ii. Promoting social development in Greater London; and
 - iii. Promoting the improvement of the environment in Greater London
- 4.2 And, in formulating the proposals in respect of which a decision is sought, officers confirm they have complied with the GLA's related statutory duties to:
- pay due regard to the principle that there should be equality of opportunity for all people;
 - consider how the proposals will promote the improvement of health of persons in Greater London, promote the reduction of health inequalities between persons living in Greater London, contribute towards the achievement of sustainable development in the United Kingdom and contribute towards the mitigation of or adaptation to climate change in the United Kingdom; and
 - consult with appropriate bodies.
- 4.3 Sections 1 to 3 of this report indicate that the Mayor has the power to proceed to make the decisions as requested within this report.

Appendices and supporting papers: MD2068

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:

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

If YES, for what reason: Publication is deferred until the procurement process is completed.

Until what date: Expected to be by 31 July 2018.

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

Is there a part 2 form – No

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Lauren Noble has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

David Lunts has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

James Murray has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 27 November 2017.

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

Date

M.T. [Signature] 27.11.17
TOM MIDDLETON ON BEHALF OF MARTIN CLARKE

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

Date

D. Bellamy

27/11/2017.