

GREATER **LONDON** AUTHORITY

REQUEST FOR MAYORAL DECISION - MD2307

Title: Appointment of the London Development Panel 2

Executive Summary:

The process to select the preferred panel members for LDP2 was approved under MD2233 which remains in place. This MD seeks a further approval that the GLA suspends entering into the framework agreement with Rydon Construction Limited.

Decision:

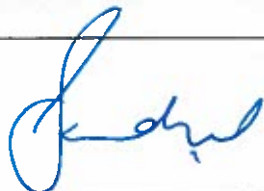
That the Mayor approves the suspension of entering into the framework agreement with Rydon Construction Limited.

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:

12/6/16

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

Decision required – supporting report

1. Introduction and background

- 1.1 MD2233 was approved on 23 April 2018.
- 1.2 As set out in MD2233, after a thorough procurement process compliant with the Public Contracts Regulations 2015, 30 bidders submitted compliant bids for a place on the London Development Panel 2 (LDP2) and reached the minimum scoring thresholds (“the most economically advantageous tenders”). These bidders are listed in Appendix 1.
- 1.3 Further to MD2233, the GLA will confirm the award of a place on LDP2 to all 30 bidders. However, the GLA will suspend entering into a framework agreement with Rydon Construction Limited (RCL). The GLA considers that it is in the public interest not to allow RCL to bid for contracts under LDP2 until the Grenfell Tower Inquiry has reported on the extent to which any Rydon group companies or employee contributed to causing or exacerbating the Grenfell Tower fire, at which point GLA will review its decision to suspend entering into the framework agreement with RCL.

2 Next steps

Framework Agreement

- 2.1 Following the approval of this Mayoral Decision, the 30 compliant bidders will be notified of their success. However, the GLA will suspend entering into a framework agreement with Rydon Construction Limited at this time (see Part 2). Following the statutory 10 day stand-still period, the GLA will seek to enter a framework agreement with the other 29 successful bidders. The framework agreement is a contract between the GLA and the successful bidder; it documents the terms and conditions of panel membership and the role and responsibilities of panel members.
- 2.2 The unsuccessful bidders will be notified of the outcome at the same time as the successful bidders and will be provided with comprehensive feedback on their tenders.
- 2.3 Please see Part 2 regarding GLA’s next steps with RCL.

3 Risks

- 3.1 The key risks associated with this decision are summarised in Part 2.

4 Equality comments

- 4.1 Under section 149 of the Equality Act 2010, as public authorities, the Mayor and the GLA are subject to a public-sector equality duty and must have ‘due regard’ to the need to (i) eliminate unlawful discrimination, harassment and victimisation; (ii) advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and (iii) foster good relations between people who share a relevant protected characteristic and those who do not. Protected characteristics under section 149 of the Equality Act are age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status.
- 4.2 The obligation in section 149(1) is placed upon the Mayor, as decision maker. Due regard must be had at the time a particular decision is being considered. The duty is non-delegable and must be exercised with an open mind.
- 4.3 Throughout the decision-making process relating to the approvals sought in this paper to facilitate this significant development moving forward to delivery, due regard has been given to

the likely potential impacts, both positive and negative, of the LDP2 on those with protected characteristics. The housing shortage in London disproportionately negatively affects people with certain protected characteristics. Increasing the supply of housing, and in particular affordable housing will help to achieve positive impacts in relation to social and economic sustainability objectives such as improving health, reducing inequalities, increasing accessibility, and economic development.

- 4.4 The proposed LDP2 framework is expected to have a positive impact on the timetable of the delivery of housing products which will generally improve access to housing across different economic and social groups.

5 Financial comments

- 5.1 There are no direct financial implications resulting from this decision.
- 5.2 London Development Panel 2 (LDP2) is a successor to LDP1 which expired in November 2017.
- 5.3 LDP2 will be a framework panel of prominent developers which public landowners can access and use to accelerate the appointment of development partners to deliver housing on these sites.
- 5.4 The establishment of the panel will reduce duplication of procurement effort in establishing suitable development partners for public bodies in London and should reduce the time needed for procurement exercises for development projects where the panel is used.
- 5.5 Ongoing monitoring of the viability of companies appointed will be required for the lifespan of the panel to ensure that the framework remains current and useful.
- 5.6 Any costs of establishing and maintaining the panel additional to the use of in-house and shared service resources will be covered by a separate Decision.

6 Legal comments

- 6.1 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

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.

- 6.2 Sections 1 to 5 of this report indicate that the Mayor has the power to proceed to make the decisions as requested within this report.

6.3 External legal advisors Herbert Smith Freehills have provided supporting legal advice.

6.4 Please see Part 2 for further legal comments.

Appendices and supporting papers:

Appendix 1: Compliant bidders

A2Dominion Housing Group Limited
BDW Trading Ltd
Be Living Limited
Bellway Homes Limited
Catalyst Housing Limited
Countryside Properties (UK) Ltd
Durkan Limited
Engie Regeneration Consortium (Engie Regeneration Ltd, HUB Residential Ltd, Delancey Real Estate Asset Management Limited)
Galliford Try Partnerships Ltd
Hadley Property Group Holdings Limited
Higgins Group PLC
Hill Holdings Ltd
Hyde Housing Association Limited
Lendlease Europe Holdings Limited
London & Quadrant Housing Trust
Morgan Sindall Consortium (Lovell Partnerships Ltd, Muse Developments Ltd, Morgan Sindall Investments Limited, Morgan Sindall Construction & Infrastructure Ltd
Native Land
Notting Hill Genesis
Optivo
Peabody Trust
Pinnacle Group Ltd
Prospect House Consortium (Stanhope Plc, Network Homes Ltd, Laing O'Rourke Construction Limited)
Quintain Projects Limited
Redrow Homes Limited
Rydon Construction Ltd
Swan igloo Consortium (Swan Housing Association, igloo Regeneration Ltd)
Telford Homes PLC
The Berkeley Group plc
U and I Group Plc
United Living (South) Ltd

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:

To complete the procurement process for the panel. Part 1 should be deferred until the 29 framework agreements have been signed and the contract award notice has been published.

Until what date: 15th August 2018 (review on this date before publication)

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 – YES

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 the 11 June 2018.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. D. Allen

Date

11.6.18

CHIEF OF STAFF:

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

Signature

D. Bellamy

Date

11/6/2018

