

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD1664

### Title: Beam Park Development Partner Selection

#### Executive Summary:

GLA Land and Property Ltd (GLAP) has undertaken a competitive procurement using the London Development Panel to appoint a development partner to deliver development on land Beam Park (Plots 1-3) and the recently acquired 2.3ha East of Kent Avenue (EKA) site (known as Beam Park Plot 4). Four compliant bids were received following a three stage mini-competition process. Countryside Properties (UK) Limited and L&Q provided the most economically advantageous tender and have therefore been selected as GLAPs development partner.

The MD approval to enter the Development Agreement is required by the end of April 2016 to enable the developer to meet milestones in the DA particularly to submit their planning application in line with the agreed timeframe, the delivery of the Beam Park Station building by March 2020 and 1500 homes by 2025. The GLA has various approval rights within the DA to ensure that development is undertaken in line with London Plan/Mayoral objectives.

#### Decision:

##### That the Mayor approves:

- The recommendation to select Countryside Properties (UK) Ltd and L&Q as the preferred bidder for the Beam Park and EKA development;
- GLA Land and Property Ltd to enter into Development Agreement, on the terms set out in this paper, with Countryside Properties (UK) Ltd.

#### 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:

30.4.2016

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

### **Decision required – supporting report**

#### **1. Introduction and Background**

- 1.1. GLAP has undertaken a competitive procurement process using the London Development Panel (LDP) to appoint a development partner for the Mayor's 29ha Beam Park site, a brownfield site located in London Riverside.
- 1.2. Housing Investment Group (HIG) endorsed expenditure of £710,000 required to appoint consultants to undertake due diligence, prepare a viability appraisal and identify the appropriate procurement route in June 2014. GLAP has expended fees on legal and commercial advice which would have been required in the course of any form of disposal.
- 1.3. A Beam Park Options paper was subsequently submitted to HIG on the 3<sup>rd</sup> July 2014 to endorse the site objectives and due diligence required to assess the benefits of acquiring the adjacent Ford Dagenham Stamping and Tooling Plant (DSTO) site.
- 1.4. The Beam Park Disposal Strategy paper was presented to HIG on the 13 May 2015. This outlined the results of the due diligence, viability appraisal. HIG endorsed the use of the LDP for the procurement, a package of measures to assist with site viability and to pursue negotiation to acquire the 2.3ha East of Kent Avenue (EKA) site which formed part of the DSTO site.
- 1.5. A plan showing the Beam Park (Plots 1-3) and EKA site (Plot 4) is at Appendix 1. Title to the Land is registered at the Land Registry with Absolute Title under Title Numbers EGL435281, EGL396608, EGL432298 and EGL472284 in respect of the EKA Site.
- 1.6. The development of a new station at Beam Park is integral to the success of the new community and to ensure that PTAL levels are increased to allow the maximum number of homes to be delivered at the site.

#### **Beam Park Design Champion**

- 1.7. A procurement process using the TfL Design Panel was undertaken to appoint a design champion for the Beam Park project which resulted in the appointment of Jay Gort from Gort Scott Architects. Jay Gort will assume the role of 'client-side design advisor and champion' on the Beam Park development project, supporting GLAP in the scoping, design and delivery of the development project. The appointment will last initially for 12 months with an option to extend.
- 1.8. Gort Scott have provided advice on the RIBA stage 2 submissions and will play a key role in working with the appointed developer to ensure that designs for the site meet GLAP, LBBD and LBH design ambitions for the site, particularly the design objectives in the London Riverside OAPF and the LBH A1306 Master Plan. They will also have a key role in working with the various stakeholders and Network Rail's appointed developer to ensure design for the Beam Park Station integrates fully with the surrounding development. This will involve liaison with the Mayor's and borough design panels as well as GLA and the local planning authority teams.

## **2. Objectives and Expected Outcomes**

### **Development Objectives**

- 2.1. The procurement of a development partner for Beam park is expected to achieve the following development objectives:
- i. Contribute to meeting London's housing needs by enabling development of 1,500 high quality and well-designed mixed tenure homes to help achieve the London Plan target of 420,000 homes by 2025 and a further 1,200 homes by 2030 to meet the needs identified in the LBBD and LBH's Local Plans;
  - ii. Meet the needs of a new urban community through the provision of suitable social and educational infrastructure in line with current policy and guidelines to support the social sustainability of the development;
  - iii. Improve public transport connections through new bus, cycle and pedestrian links, a new rail station at Beam Park by 2020, in line with residential development timeframes, with well-thought out connections to bus, pedestrian and cycle routes which connect Beam Park to existing developments, Dagenham Dock Station and the Green Grid, which includes Beam Valley Country Park, the Beam River, and Rainham Marshes;
  - iv. Transform a 29ha brownfield site through place-making and high quality public realm enhancements which meet London Plan (2015) standards, specifically at the A1306, industrial and railway edges, bridges, gateways to the development and the area around the Beam River which transforms the area's identity, changes perceptions and encourages inward investment to support job creation and economic development targets.
- 2.2. GLAP was open to proposals on how best to realise the site's value and create a new vibrant and attractive community which contributes to the ongoing regeneration of London Riverside. GLAP sought to maximise housing delivery at the site, whilst also balancing density against a range of other factors, including GLAP's requirement for a land receipt.
- 2.3. GLAP considered flexibility in its approach to the payment of land receipts. The option to defer payments was offered where it was demonstrated that this could assist in accelerated delivery of homes.

### **Procurement Process**

- 2.4. The LDP is an OJEU compliant framework which involves three stages – expression of interest, sifting brief and mini competition and has a suite of approved contractual documents available to users. The Beam Park project will use the LDP Development Agreement and Building Lease which will be modified within the limits of the procurement regulations to accommodate the project specific requirements of Beam Park.
- 2.5. Use of the LDP has enabled a quick procurement process taking less than six months (June–November 2015) to identify a development partner to deliver a comprehensive housing-led regeneration scheme at Beam Park.

#### Expressions of Interest

- 2.6. Expressions of Interest were issued to London Development Panel members on the 9<sup>th</sup> June 2015 and were returned on the 23<sup>rd</sup> June. 13 panel members expressed an interest.

#### Sifting Brief

- 2.7. The Sifting Brief was issued to the interested parties on the 24<sup>th</sup> June and five responses were received on the 28<sup>th</sup> July. Several panel members teamed up either with other panel members or external developers for their submissions. The Sifting Brief submissions were scored using the following weighted evaluation criteria:

Question	Weight
1) How would you approach place making and delivery of high quality design at Beam Park to ensure that the GLA's and boroughs aim to create a 'step-change' in perceptions of the area is achieved?	3
2) How would you deal appropriately with site development constraints – specifically flood risk, contamination and site infrastructure and adjacent transport infrastructure – while maximising the development potential and viability of the site?	3
3) Demonstrate your understanding of the market context and market potential for the site and how this informs your approach to development density and residential typologies	2
4) How would you manage the phasing of development including the delivery of the ticket office for the new Beam Park station to achieve first home completions and enable the station to be open by spring 2019	2
5) Identify the key risks in undertaking and completing the project and set out your strategy for mitigating these risks (where mitigation is possible)?	3
6) Describe the team, including any, sub-developers and/or consultants, you intend to assemble for this project and outline how this team's relevant skills and experience will be applied to achieve the GLA's objectives and ensure the quickest possible delivery of homes and infrastructure at the site.	2

2.8. Four of the submissions met the criteria sufficiently to be taken forward to mini competition stage.

#### Mini Competition

2.9. The Invitation to Tender (ITT) was issued on the 18<sup>th</sup> August with a deadline of the 26 October 2015.

2.10. Tenderers were invited to submit written clarifications throughout the tender process. Tenderers were also invited to attend three clarification sessions during the bidding process. The first of these was on the 9<sup>th</sup> September with the boroughs, the second on the 18<sup>th</sup> September with Network rail and TfL and the third on the 9<sup>th</sup> October with TfL legal. Tenderers were invited to submit written questions in advance of the meetings and were provided with written answers following the meetings. The 18<sup>th</sup> September meeting did not proceed so tenderers were offered individual meetings with TfL and Network Rail. TfL legal were unable to attend the 9<sup>th</sup> October so legal responses were sought in writing from both them and GLAP's legal advisors.

2.11. All four bidders submitted a tender response by the deadline date and were invited to present their proposals to GLAP representatives from Housing and Land and Planning on the 3<sup>rd</sup> November.

2.12. Submissions were evaluated by the GLAP with support from GL Hearn and input from the London Boroughs of Barking and Dagenham and Havering and the Beam Park Design Champion.

2.13. The evaluation criteria were:

Evaluation factor	Weight	Criteria	Max score	Sub weight	Sub Criteria
Quality	25%	Requirements for the scheme proposal and design approach	5	5%	New and Affordable Housing
			5	10%	Place-making and Design
			5	5%	Design and Sustainability
			5	5%	Beam Park Station
	5%	Project team approach and project management	5		
	7.5%	Programme and phasing	5		
	7.5%	Approach to gaining planning permission	5		

	5%	Approach to dealing with development constraints	5		
	5%	Approach to long term management	5		
	5%	Project risk assessment and management	5		
<b>Total Quality</b>	60%				
<b>Financial</b>	40%	Financial offer	10	20%	Guaranteed Land Payment
			10	10%	Sales and Planning Overage Schedule and Mechanism
			10	10%	Financial Model
<b>Total</b>	100%				

### 3. Equality comments

There are no equality implications at this stage. Equalities will be considered through the next stages of development.

### 4. Other considerations

#### 4.1. Key Risks and Issues

GLA has purchased the East of Kent Avenue site (Beam Park plot 4) from Ford Motor Company. Ford is selling the adjacent Ford Stamping Plant. Until the details of this sale are known and the sale completes there remains uncertainty around the future development at the DSTO site and consequent uncertainty for Beam Park.

#### 4.2. Links to Mayoral Strategies

The London Plan and the London Riverside Opportunity Area Planning Framework (LROAPF) identify brownfield sites in East London as a means to meeting London's needs for housing and employment. The Mayors Housing Strategy sets out the need to accelerate housing development to meet London's need for 42,000 new homes per annum. The EKA site assists and increases the deliverability of new homes – including affordable housing – in the London Boroughs of Barking & Dagenham. Development at Beam Park is also integral to the Rainham and Beam Park Housing Zone which is a key Mayoral priority and means of accelerating new home delivery in East London.

#### 4.3. Impact Assessments and Consultations

GLAP is working in close partnership with the London Boroughs of Barking & Dagenham and London Borough of Havering on the future development of the EKA and Beam Park sites. The boroughs are members of the Beam Park Steering Group and both boroughs have been involved in the identification of development objectives and the procurement of the development partner, including providing advice to the evaluation team on the the bidders planning strategies.

### 5. Financial comments

See Part 2 Confidential facts

### 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 and 2 of this report indicate that the Mayor has the power to proceed to make the decisions as requested within this report.

## 7. Investment & Performance Board

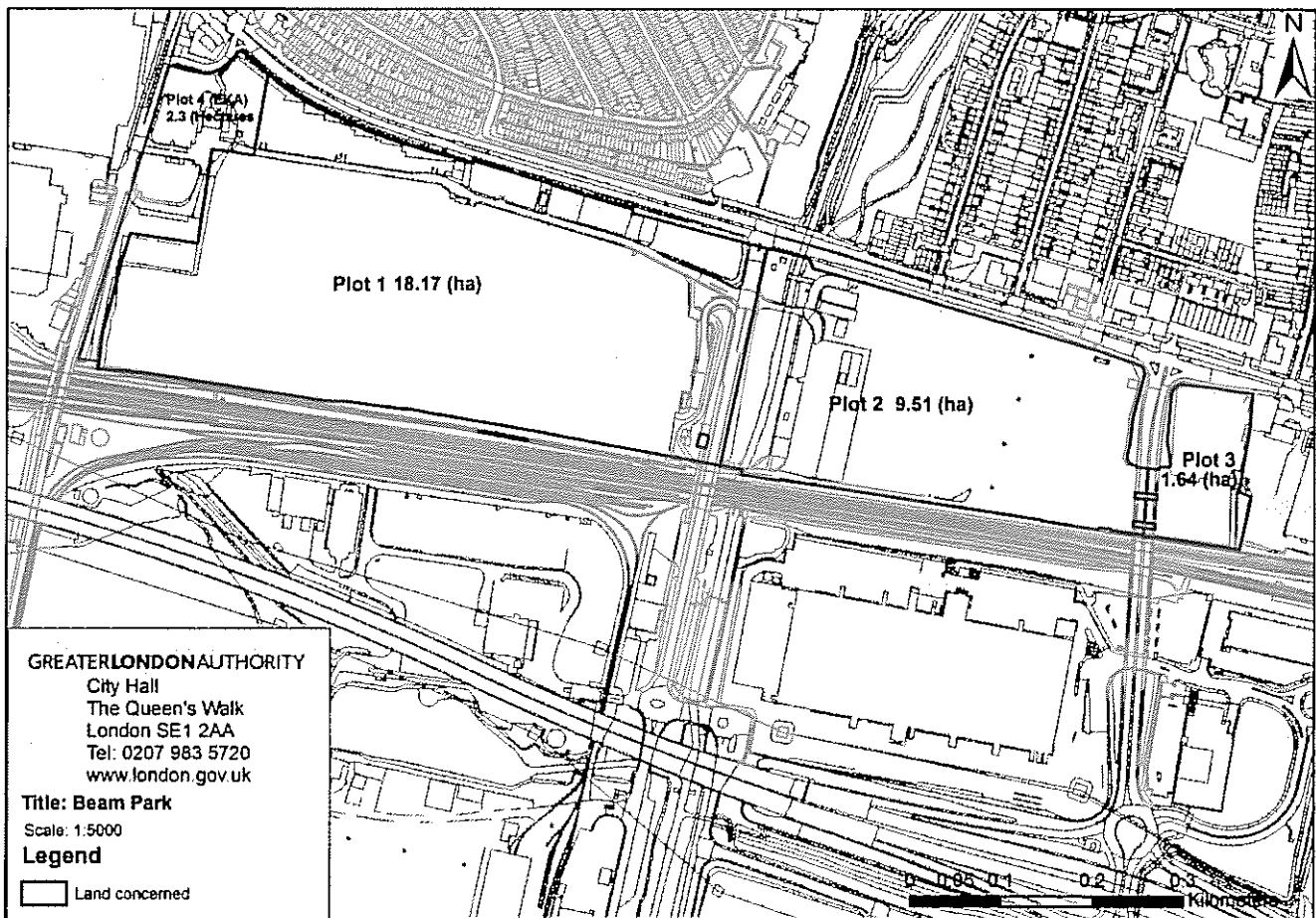
Due to the nature of this report it was considered by HIG and not IPB. At the 13<sup>th</sup> January 2016 HIG, the following recommendations were approved: "Endorse the appointment of the successful tenderer as development partner for the Beam Park development project and the under-bidder as detailed in the restricted appendices" and "Endorse the inclusion of the East of Kent Avenue (EKA) site within the development opportunity."

## 8. Planned delivery approach and next steps

Activity	Timeline (target date)
Mayoral Decision	April 2016
Enter into Development Agreement	May 2016
Submit Planning Application	October 2016
Planning Consent	March 2017
Start on Site	July 2017
Station Open	December 2020
Completion of development	August 2030

## Appendices and supporting papers:

### APPENDIX 1: Site Plan



**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? NO**

If YES, for what reason:

Until what date: (a date is required if deferring)

**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:**

Carolyn Tobin has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision. ✓

**Assistant Director/Head of Service:**

Simon Powell has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval. ✓

**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:**

Edward Lister has been consulted about the proposal and agrees the recommendations.

**Advice:**

The Finance and Legal teams have commented on this proposal. ✓

**EXECUTIVE DIRECTOR, RESOURCES:**

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

Signature

*M. J. Allen*

Date

*29.4.16*

**CHIEF OF STAFF:**

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

Signature

*Edward Lister*

Date

*29.04.2016*