

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD2681

### Title: Appointment of a Development Partner for St Ann's Hospital

#### Executive Summary:

Following the Mayor's purchase of part of the St Ann's Hospital site in the London Borough of Haringey using the Mayor's Land Fund in 2018 as approved by Mayoral Decision (MD) 2207 and Director Decision (DD) 2187, the GLA has undertaken a three-stage procurement exercise through the London Development Panel 2 to identify a development partner to redevelop the site.

Following this exercise, Catalyst Housing Limited (Catalyst) has been evaluated to be the highest scoring bidder and subject to this decision will be selected as the preferred development partner for the St Ann's site. Catalyst's proposal will deliver a high-quality scheme comprising of 934 homes, 60 per cent of which will be genuinely affordable. The scheme will also provide commercial and community space within a new neighbourhood that delivers tangible local benefits.

This MD seeks approval from the Mayor to appoint Catalyst as the preferred development partner. The Executive Director of Housing and Land will finalise and approve the final form of the associated Development Agreement(s) and other ancillary agreements required to deliver the scheme in line with the requirements of the London Development Panel 2 Framework.

#### Decision:

That the Mayor approves:

The selection of Catalyst Housing Limited as the preferred development partner for St Ann's Hospital and entry into the Development Agreement for disposal of the land, which will signal the closure of the procurement process.

#### 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:

17/9/20

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

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

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

- 1.1. The St Ann's Hospital site is a 7.1 ha site in south Tottenham, Haringey, bounded by St Ann's Road to the north, the Gospel Oak to Barking Overground line to the south, and Warwick Gardens to the west. See site plan at Appendix 1.
- 1.2. The site was previously owned by the Barnet, Enfield and Haringey Mental Health Trust (the NHS Trust), which still owns land to the east of the site. Following an extensive review of the future need for facilities by the NHS Trust, the decision was made in 2014 to sell a significant part of the former hospital site for residential-led redevelopment, thereby creating sufficient subsidy to deliver new and improved health facilities on the NHS Trust's remaining land.
- 1.3. In March 2015, the NHS Trust secured an outline planning consent for new health facilities and 470 homes of which 14% would have been affordable. The NHS Trust sought to dispose of the residential element of the site with the benefit of this consent. The NHS Trust's proposals for the site raised significant concerns for some in the local community, including concerns about the low level of affordable housing and the opportunity this site could have presented for a community-led development.
- 1.4. The Mayor engaged with the NHS Trust about the opportunity to acquire the site, with a view to significantly improving development outcomes, including the level of affordable housing.
- 1.5. Subsequently, DD2187 approved acquisition of the freehold of the site from the NHS Trust by GLA Land and Property Limited (GLAP), the GLA's wholly owned commercial development entity. The acquisition of the site was among the first interventions made by the Mayor of London using the Land Fund, which was approved by MD2207. The site was acquired on the premise that GLAP would work with the NHS Trust, LB Haringey and the local community to develop proposals and bring the site forward via the London Development Panel 2, the GLA's approved developer panel.

#### *Terms of sale from the NHS to GLAP*

- 1.6. As part of the sale agreement the GLA agreed several terms with the NHS Trust. These terms included:
  - leasing back sections of the site it owns to the NHS Trust to provide services whilst a new hospital facility is being constructed on their retained site. All land will be returned to GLAP unfettered, by 31 December 2023; and
  - the NHS Trust having nomination rights for at least 10 years over 22 of the London Living Rent homes on the new development in recognition of the importance of providing homes for NHS staff on former NHS land.

#### *Setting the specification for the development*

- 1.7. The GLA has consulted with the local authority and representatives from the local community to shape its priorities for the site. Both the council and the representatives from the local community participated in a project steering group at the early stage of the project, which agreed the following vision for the site:

*That the St Ann's Hospital site becomes an exemplar housing scheme, delivering at least 50 per cent genuinely affordable housing. A community-influenced scheme, it will display a high level of design quality and sustainability that reflects its unique location and heritage, and is accessible to, and supported, by the local community. The scheme will be used in future as an example to others that such schemes can be financially viable and deliverable.*

- 1.8. Using this vision, the steering group helped to subsequently shape a series of key requirements and ambitions for the future of the site, which would assist the GLA in shaping and assessing future proposals for development of the former hospital:

#### Density

- 1.9. With strong support from LB Haringey's planning team, the GLA identified that the site could support significantly more homes than secured on the 2015 NHS Trust planning permission. The GLA therefore set the delivery of 700 homes as a minimum requirement, with an assumption that a higher number of homes could be delivered on the site if a high standard of design can be demonstrated.

#### Affordable homes

- 1.10. The Mayor's key priority on this site is to deliver a high number of genuinely affordable homes. In light of this priority, the GLA took the decision to fix the minimum level of affordable housing on this site at 60 per cent. This level of affordable housing seeks to achieve a balance between maximising affordable housing, the creation of a mixed and multi-tenure community at St Ann's, and ensuring the sale of the site generates a satisfactory land receipt to GLAP.

#### Community-led homes

- 1.11. In recognition of the Mayor's commitment to deliver a significant number of community-led homes in London, and the aspiration to deliver a scheme that is genuinely accessible to the local community, 50 of the homes developed on the site will be earmarked for community-led housing. The GLA will lead a procurement exercise to identify a viable partner to take on the community-led homes. If it is not possible to deliver community-led homes on the site, the earmarked homes will revert to London Living Rent homes.

#### Tenure split

- 1.12. Notwithstanding the 50 community-led homes, the tenure of which will be fixed through negotiation with a community organisation, the tenure of the affordable housing on St Ann's will be a fixed split between 60 per cent London Affordable Rent, 20 per cent Shared Ownership and 20 per cent London Living Rent.

#### Council homes

- 1.13. Delivery of council homes on the site is a key priority for LB Haringey. In consultation with the council, the GLA has ensured that LB Haringey will have the option to purchase up to 50 per cent of the London Affordable Rent homes on the site. Should the council not take up its option to acquire the homes, the units will still be delivered at London Affordable Rent either by the developer themselves (should they be a Registered Provider) or a partner organisation.
- 1.14. Following agreement of these ambitions and requirements with the steering group, in line with DD2187, the GLA launched a procurement exercise to secure a partner who could deliver these obligations alongside their own strong vision for the site.

#### *Selecting a development partner*

- 1.15. The developer selection process has been Official Journal of the European Union (OJEU) compliant, via the standardised London Development Panel 2 (LDP2). The procurement exercise consisted of a three-stage mini-competition process, which involved a joint Expression of Interest and Sifting Brief, followed by an Invitation to Tender (ITT) stage to select a partner.
- 1.16. Ahead of the commencement of the formal procurement process, the GLA also undertook a soft market engagement exercise with all developers on the LDP2 and used the feedback from this exercise to inform its procurement strategy.
- 1.17. A joint Expression of Interest and Sifting Brief document was published on 6 September 2019. Following this exercise, four bidders were shortlisted and invited to tender.

1.18. The ITT was issued on 20 December 2019 and included a number of minimum requirements that bidders had to deliver on the scheme, along with a number of key aspirations. Some of the key minimum requirements are set out as follows:

- at least 700 new homes must be built on the site;
- 60 per cent of the homes delivered on St Ann's must be affordable, with 50 of those affordable homes to be set aside for community-led housing;
- excluding the 50 community-led homes, the tenure mix of the affordable homes is to be fixed at 60 per cent London Affordable Rent, 20 per cent at London Living Rent, and 20 per cent shared ownership;
- the London Borough of Haringey will have the option to acquire half of the proposed homes at social rent levels;
- key worker housing for NHS staff, with nominations for at least 22 homes for London Living Rent given to the NHS Trust for 10 years to ensure staff can be housed locally;
- guarantee a minimum land receipt to GLAP by an agreed longstop date;
- agreement to co-produce a community engagement strategy for approval by the project steering group;
- ensure that London Affordable Rent homes on the site are let on lifetime tenancies;
- include proposals for pedestrian and cycle access through the southwest corner of the site to provide connectivity to the nearby high street and station;
- agree to comply with GLA guidance regarding fire safety; and
- start on site with Phase 1 of the scheme by 31 March 2022 in line with the Mayor of London's Affordable Housing Capital Funding Guide.

1.19. Notably, the GLA agreed that, should remediation costs for contamination be higher than the identified figure provided to bidders (which was based on initial expert desktop advice), then GLAP would contribute a percentage of additional costs up to a higher cap. This was anticipated to come from receipts received from the selected development partner following their appointment.

1.20. In addition to these minimum requirements, the GLA established a number of key ambitions for the St Ann's Hospital, against which bidders' proposals were assessed and scored via the evaluation process. These include:

#### Design

1.21. The scheme should demonstrate strong urban design principles that respond positively to the identity and character of the locality, including to existing and emerging street hierarchy. Proposals should take into account the long history of the St Ann's Hospital site, and balance retention and use of heritage assets with delivering significant numbers of homes required. The provision of supported housing on the site would be welcomed.

#### Placemaking

1.22. The scheme should optimise density, given the proximity of Haringay Green Lanes station. The proposed development should be high-quality, with a visually interesting and exemplary architectural approach using high quality, safe and durable materials.

1.23. The scheme should be tenure blind, with affordable housing visually indistinguishable from market homes, and affordable housing blocks 'pepper-potted' throughout the site. Open spaces, in particular play spaces, should be accessible to all residents, regardless of tenure.

### Accessibility

- 1.24. The scheme should improve connectivity across the site and to the surrounding area, whilst providing conveniently located green and open spaces for social interaction, play, relaxation and physical activity. In particular, the scheme should facilitate active travel. The non-residential offer on site should focus on creating an offer for people living on or surrounding the site, including access to community and commercial facilities.

### Sustainability, energy and environment

- 1.25. The scheme should reflect the Mayor's ambitions to tackle climate change. This includes proposals that contribute towards achieving a net zero carbon London, retaining protected trees where possible, and achieving both an urban greening factor of 0.4 and a net increase in biodiversity on the site. The proposals should consider the feasibility of establishing a district heating network on the site, as well as identifying opportunities for food growth. The scheme should enhance the Site of Importance for Nature Conservation (SINC) on the south of the site, whilst ensuring both residents and local people can access and use it.

### Community engagement, accessibility and empowerment

- 1.26. Bidders should demonstrate how the community will be fully engaged during the development, including through the co-production of a community engagement strategy. Proposals should ensure that local people are prioritised in the development, including through strategies to support local home-ownership. The scheme should also provide opportunities for the community to influence the way their homes are managed.
- 1.27. The full set of aspirations for the site were set out in the Invitation to Tender document sent to bidders on 20 December 2019.

### Evaluation of the bids

- 1.28. Upon publication of the ITT, all four bidders confirmed an intention to submit a tender. However, one bidder subsequently withdrew from the tender process following a review of its commitments.
- 1.29. An evaluation methodology was provided as part of the supporting documentation issued with the ITT to all bidders. This set out how the tenders would be assessed, including the evaluation criteria to be applied to each part of the bid. This was reviewed and approved by TfL's procurement team, acting as procurement agent for the GLA. This methodology set out the marking structure, balancing the aspirations for excellent design, with an appropriate delivery capability and the GLA / GLAP's obligations to achieve the best consideration reasonably obtainable for the assets it holds:

Evaluation area	Section	Available marks
Quality	Design	12.5%
	Placemaking	12.5%
	Accessibility	5%
	Sustainability, energy and environment	10%
	Community engagement and accessibility (including approach to long term management)	10%
	Programme, project risk assessment and management	5%
	Project team approach and project management	2.5%
	Approach to gaining planning	2.5%

Financial	Guaranteed minimum land value	37.5%
	Financial assumptions	Pass/Fail
	Profit overage	2.5%
	Approach to securing funding	Info only
Legal	Acceptance of risk allocation with the call off contracts	Pass/Fail

- 1.30. Dentons LLP were engaged, alongside TfL Legal, to provide expert legal and procurement advice throughout the development of the ITT and the assessment process to ensure that the proposals met and exceeded the requirements of the LDP2 Framework and the GLA / GLAP's wider legal obligations.
- 1.31. In line with the LDP2 mini-competition process, assessment and scoring of the tender was undertaken by four GLA officers, followed by a consensus meeting to identify any outstanding areas of disagreement and to agree a consolidated single score for each section of each bid.
- 1.32. To facilitate the evaluation process, property advisors Carter Jonas were appointed to provide expertise to assist panel members on appraisal of both quality and financial responses and a Mayoral Design Advocate appointed to provide expert advice to the panel on design. Expert advice was also sought from the GLA's planning, community engagement, environment, supported and specialist housing, energy and sustainability teams.
- 1.33. This advice was shared with evaluators to consider as part of their evaluation of the bids.
- 1.34. The appraisal process and scoring of tender submissions was overseen by TfL Procurement and ratified by TfL's SEAR Governance board which oversees all major procurement decisions managed through TfL to ensure compliance.
- 1.35. The GLA received three bids from tenderers. All three bids were strong, clearly ambitious and met the criteria set out within the tender documentation. However, following careful assessment of the tender responses using the above evaluation criteria, Catalyst Housing Limited (Catalyst) was assessed to be the overall highest scoring bidder, representing the most economically advantageous tender.
- 1.36. On that basis, this Decision form seeks Mayoral approval to appoint Catalyst and to enter into a Development Agreement to deliver the scheme as described in their tender submission.

## 2. Objectives and expected outcomes

- 2.1. The purpose of the Mayor's Land Fund (MD2207) is to put in place resources to acquire land and enable key strategic sites in order to unlock affordable housing delivery in London. The redevelopment of this site, particularly the levels of affordable housing proposed, will contribute towards this and support the aim to start building at least 116,000 affordable homes by 31 March 2023.
- 2.2. In accordance with Catalyst's bid, and subject to achieving a full planning consent, the development will deliver (in addition to the minimum requirements outlined in section 1.18):
  - 934 high-quality new homes within a sustainable neighbourhood – 556 of which will be genuinely affordable;
  - a tenure blind scheme with the 60 per cent affordable housing distributed throughout the site;
  - at least 38 Extra-Care homes as part of the affordable provision;
  - a large proportion of family sized housing;
  - retention of all heritage assets prioritised within the ITT;
  - a generous public realm, prioritising accessibility and connectivity combined with new areas of play for all age groups;

- a net gain in biodiversity across the site;
  - an urban greening factor that exceeds 0.4; and
  - 878 sqm of on-site commercial and community amenities.
- 2.3. GLAP will retain the freehold of the site, other than for any houses which, as per the Government's 'Implementing reforms to the leasehold system in England: summary of consultation responses and government responses' (June 2019), are required to be sold with the freehold interest (excluding shared ownership and community-led homes).
- 2.4. As set out in the ITT documentation, GLAP intends to contract based on the standard form LDP2 Development Agreement and standard form leases, with site specific amendments to reflect the preferred development partner's bid.

### **3. Equality comments**

- 3.1. Under section 149 of the Equality Act 2010 (the "Equality Act"), as a public authority, the GLA must have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation, and to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not. Protected characteristics under the Equality Act comprise age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation and marriage or civil partnership status.
- 3.2. When considering the needs of the existing community and those that will be affected by the proposed development (both currently and in the future development scheme), any development activity will look to minimise disadvantages to all protected characteristic groups within society. This site will increase housing supply and delivers a range of tenure mixes, including high levels of affordable housing of which a large number will be for general needs. This decision is therefore expected to have positive impacts on persons with a protected characteristic under the Equality Act as increasing the supply of housing in London will help to address problems such as overcrowding and homelessness, which evidence indicates disproportionately affect specific groups, including Black and Minority Ethnic groups and women.
- 3.3. The site also delivers strong environmental outcome which will have a positive impact on the local community through reducing the health impact of air quality, reducing fuel poverty and keeping bills down.
- 3.4. The approach to engagement, sales and marketing as well as long-term management will draw on the Mayor's Equality Diversity and Inclusion Strategy "Inclusive London" to ensure that local people are prioritised and represented.
- 3.5. St Ann's will also deliver 50 community-led homes to meet the local community's needs, making St Ann's home to one of the largest community-led housing schemes in London. Community-led housing is often designed to help particular groups of people and to meet community need. By encouraging and facilitating community-led housing which meets local communities' needs, the GLA hopes to create a positive impact in equalities terms and to advance equality of opportunity for those with protected characteristics who are currently disadvantaged by the housing situation in London.
- 3.6. Catalyst was assessed as the best bid, and the selection of Catalyst is therefore considered to be the best way of delivering the scheme and the associated equalities outcomes identified above.

#### **4. Other considerations**

##### *Governance*

- 4.1. Following the selection of Catalyst Housing Limited, a formal governance structure will be put into place. Catalyst and the GLA will meet regularly to ensure that the project remains on track, compliant with the commitments made by Catalyst in its bid, and that starts are achieved by 31 March 2022.

##### *The NHS Trust*

- 4.2. The GLA continues to liaise with the NHS Trust, and future cooperation with the NHS Trust will be required to secure agreement on a range of options, including treatment of the shared boundary between the two sites, the potential for a shared energy strategy, and the provision of key worker housing for NHS Trust staff.

##### *Interim use*

- 4.3. Catalyst will look to work with Projekt (an affordable workspace provider) to have an interim uses application approved at the earliest opportunity. This will support the creation of activity and sense of community in advance of the new development. Members of the community will be involved in developing an approach to interim use of the site and will be invited to convene an Interim Uses Working Group, comprising of the bidder, representatives of the LB Haringey and the GLA.

##### *The St Ann's Redevelopment Trust*

- 4.4. The St Ann's Redevelopment Trust (StART) - a community organisation, registered formally as a Community Benefit Society - formed as a result of local opposition to the NHS Trust's original planning permission. StART's concerns were not to the principle of residential development on the St Ann's Hospital site, but to the low level of genuinely affordable homes being provided, and the belief that an improved scheme could be realised on the site which delivered better outcomes locally. In 2017 StART crowdsourced the production of a masterplan for the site which identified capacity for around 800 homes on the site.
- 4.5. In recognition of StART's close interest in the site and its commitment to achieving improved outcomes, DD2187 referred to the GLA working with the St Ann's Redevelopment Trust (StART) as community representatives on the project. In 2018, the GLA and StART signed a Memorandum of Understanding (MOU) in 2018, which governed the relationship between GLA and StART and set out the framework through which StART would be closely involved as the site was brought forward for delivery. Along with representatives from the London Borough of Haringey, directors from StART participated in a project steering group convened by the GLA. This group met regularly and was the main forum through which priorities for the St Ann's Hospital site were identified and developed. In addition to influencing the priorities for the site, the MoU also set out StART's role within the procurement process, in which it was envisaged that, as well as feeding into the tender documentation, StART would also have the opportunity to review responses from bidders and provide formal feedback on the bids to the GLA.
- 4.6. However, following the finalisation of the GLA procurement strategy for St Ann's (which set out a number of minimum requirements and ambitions), StART came to the conclusion that, in order to be able to encourage bidders to exceed the GLA's aspirations for the site, it wanted to engage and lobby directly with bidders with the view of potentially partnering with one or more of them. The GLA took legal advice that established this would have been incompatible with having a formal role in the procurement process and consequently, in September 2019, StART informed the GLA that it did not wish to participate in the formal procurement process going forward and the MOU was terminated. The GLA understands that following the outcome of the procurement exercise, StART will reassess their options and look to engage with key stakeholders going forward.



### *Future Mayoral decisions*

- 4.7. It should be noted that the figures stated here do not prejudice any future Mayoral decisions on planning designations/de-designations or consideration of future planning applications.

### *Key risks and issues*

- 4.8. In bringing forward proposals for the site, and as reflected in the ITT documentation, the GLA has looked to understand and mitigate risk relating to the redevelopment of the site. The below table reflects some of the key risks that have been identified and the strategies undertaken to mitigate these risks:

<b>Key Risks</b>	<b>Mitigation Strategy</b>
An unsuccessful bidder challenges the decision not to proceed with them as successful bidder	<p>There is always a risk that one of the under-bidders will bring a challenge under the Public Contracts Regulations 2015 (PCR). The challenge can be on a number of bases – questioning the evaluation process would be a usual first step.</p> <p>The GLA team have taken the advice of both TfL Procurement, TfL Legal and external advisors, Dentons, on all elements of the procurement in order to mitigate the risk of a procurement challenge being brought successfully. The process followed was in accordance with PCR and managed carefully by TfL Procurement to ensure compliance with the award criteria in the procurement strategy and evaluation strategy as summarised in part 1 of this report.</p> <p>All unsuccessful bidders will be sent clear feedback detailing why they were scored lower than the preferred bidder and the GLA will engage, where requested, to provide further feedback.</p>
The selected scheme by Catalyst fails to secure planning permission in time to enable the scheme to start on site by 31 March 2022	<p>In producing its requirements and aspirations for the site, the GLA has consulted closely with LB Haringey and the GLA's planning team to ensure that the GLA's priorities for this site align as much as possible with the council's, their existing (and emerging) Local Plan and the current London Plan.</p> <p>LB Haringey provided feedback to bidders on their proposals midway through the ITT process via a formal pre-application meeting and we are aware that all bidders adapted their proposals as a result of these meetings.</p> <p>Bidders' approach to planning permission was assessed as part of the procurement exercise, and assurances were received by all bidders that, despite the delay to the project caused by COVID-19, a start on site by 31 March 2022 would be achievable.</p> <p>Project milestones, as well as key aspects of the bidder's proposals such as approach to community engagement, will be enshrined in the Development Agreement between Catalyst and the GLA, and will be monitored via the formal governance structure.</p>
Delays in construction of the new health facilities by the NHS trust	<p>The phased approach to delivering homes on St Ann's has been structured in a way that allows time to achieve full vacant possession of land currently leased to the NHS Trust. The leases with the Trust</p>

means vacant possession of the full site is delayed	<p>including financial incentives to return the land to the GLA at an early stage.</p> <p>Officers at the GLA and the NHS Trust have a close working relationship to ensure that any identified issues are dealt with quickly.</p>
Ground contamination is more than anticipated and the associated costs for remediation are much higher than anticipated by the developer	<p>Bidders have been told to assume a set level of costs with regards to remediation on the site. Should, once more detailed due diligence has been undertaken, the costs associated with remediation increase above this level, GLAP will agree to contribute up to 40 per cent of remediation costs incurred up to an upper limited. This additional contribution will be the subject of a further Mayoral Decision once further information is available.</p>
A market downturn or other issues cause cashflow issues and result in a halt to development	<p>The GLA has taken financial advice throughout the scheme which has shaped its proposals.</p> <p>Whilst the wider housing market is highly sensitive to external factors, the market for affordable housing is much less so, and a scheme with a high level of affordable housing such as this is insulated against market downturns. The scale of the site allows it to be rephased to accommodate any market downturn if required.</p>
The bidder defaults on its offer or undertakes works not in line with the proposals within its tender	<p>The price offered is a guaranteed minimum land value and will not be subject to any negotiation. Due diligence via the procurement exercise gives comfort that the bidder can meet the terms of its offer to the GLA. However, if this was to occur, the Development Agreement contains provisions for repossession of the site in the event of any break or default on payment.</p> <p>The Development Agreement also contains provisions and penalties should the bidder not be in compliance with the agreed delivery approach but given the project governance structure put in place for the development, this is not considered an issue likely to occur.</p>

#### *Consultations and impact assessments*

- 4.9. The GLA has engaged with the parties to this proposed intervention, as it has considered appropriate. It is not considered necessary or appropriate to consult any other persons or bodies including those specified in section 32(1) of the Greater London Authority Act 1999 for the purposes of this Mayoral decision.

#### *Links to Mayoral strategies and priorities*

- 4.10. The selected proposal by Catalyst will deliver 934 high-quality homes at St Ann's Hospital, with 60 per cent affordable housing provided across a scheme of exemplar design. This represents an almost nine-fold increase in the number of affordable homes compared to the original planning permission for the site. The proposal reflects, and at times exceeds, the key Mayoral strategies and priorities which were embedded into the GLA's procurement approach for the site. This includes the London Housing Strategy, which set out a policy for the GLA to take a more interventionist approach in London's land market in order to accelerate the speed of building and to deliver more homes, with a focus on delivering more affordable homes. The delivery of 60 per cent affordable housing on the site exceeds the Mayor's strategic target, as set out in policy H5 the London Plan: Intend to Publish version, of delivering 50 per cent affordable housing on public land.

- 4.11. The GLA's aspiration for a significant increase in the number of homes delivered on the site, in comparison with the previous planning permission, necessitated that designs for the scheme needed to be of the highest quality. Catalyst's scheme is of exemplar design, optimising density while still remaining sensitive to its surroundings and the heritage of the site. Catalyst's masterplan proposes an exceptional approach to environmental sustainability, including a high-level of urban greening that reflects the London Environment Strategy and exceeds the target set out in the London Plan: Intend to Publish.
- 4.12. Broadly, in demonstrating that its proposals for St Ann's successfully balances the need to deliver a significant increase in affordable housing with ensuring a scheme that is sensitive to local context, Catalyst's proposal reflect the aspirations set out in Good Growth by Design, the Mayor's plan that new development creates a city that works for all Londoners.
- 4.13. As noted previously, expert advice was sought from the GLA's planning, community engagement, environment, supported and specialist housing, energy and sustainability teams both in formation of the ITT and in assessment of the proposals. On this basis, the GLA can be confident that the proposals meet and / or exceed the Mayor's respective strategies, policies and requirements for developments of this nature.

#### *Conflicts of interest*

- 4.14. All bidders were required to sign a Conflict of Interest Declaration and no relationships were disclosed which could potentially result in an actual or perceived conflict of interest.
- 4.15. All evaluators and supporting subject matter experts signed a Declaration of Interest form. While all of the bidders are known to the evaluators, including in relation to projects on which bidders are development partners on land currently or previously owned by the Mayor, appropriate steps have been taken to ensure any potential conflicts have been mitigated. This has included limiting communication between evaluators and bidders.
- 4.16. There are no known conflicts of interest for those involved in the drafting or clearance of this decision form.

### **5. Financial comments**

- 5.1. This decision requests approval to select Catalyst Housing Limited as the preferred development partner for St Ann's Hospital and to enter into a Development Agreement for the disposal of the land.
- 5.2. The financial implications of appointing Catalyst Housing Limited as the development partner are set out in 2.8 and 2.9 of Part 2 to this decision.

### **6. Legal comments**

- 6.1. GLA / GLAP has and is being advised by Dentons in addition to TfL Legal throughout this procurement and will continue to do so in relation to the fine tuning of the Development Agreement and other scheme documents.
- 6.2. As noted in the Executive Summary of this Mayoral Decision form it is anticipated that the Executive Director of Housing and Land, as provided for under the General Delegation and Signatory Permissions (under the provisions of 'Decision Making in the Greater London Authority, May 2020'), will be responsible for finalising the form of and entry into the LDP2 Development Agreement Call-Off contract, which will facilitate the disposal of the site, in addition to any ancillary agreements required to deliver the redevelopment of this site in accordance with the Preferred Bidders proposed solution including, but not limited to, any wayleaves, easements, licenses, Section 104, 106, 278 and

38 agreements, ancillary leases, side letters, discharging of obligations and non-material amendments to any such agreements.

- 6.3. 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.
- 6.4. 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 an equality of opportunity for all people;
  - consider how the proposals will promote the improvement of the 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;
  - consult with appropriate bodies.
- 6.5. Sections 1 to 3 of Part 1 of this report indicate that the Mayor has the power to proceed to make the decisions as requested within this report.

## **7. Planned delivery approach and next steps**

- 7.1 Once Mayoral approval has been confirmed for the appointment of Catalyst as preferred development partner, bidders will be notified of the outcome. Following a 10-day procurement standstill period, the selection of the preferred bidder will be confirmed, and fine tuning of the Development Agreement will begin. Key milestones for the project are set out below:

<b>Activity</b>	<b>Timeline</b>
Bidder notified of outcome	28 September 2020
10-day procurement standstill period ends	8 October 2020
Development Agreement signed	7 December 2020
Planning approval	28 February 2022
Start on site	31 March 2022
Practical completion	31 March 2028

## **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 (FoIA) 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 it has been approved 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 should be deferred until the announcement of the successful bidder as this approval is commercially sensitive and should be kept confidential until all bidders have been notified of the decision.

Until what date: Until the bidding organisations have been successfully notified – currently expected to be 31 October 2020

**Part 2 – Sensitive information**

Only the facts or advice that would be exempt from disclosure under FoIA should be included 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:**

Andrew Williams has drafted this report in accordance with GLA procedures and confirms the following:

✓

**Sponsoring Director:**

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

✓

**Mayoral Adviser:**

Tom Copley 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 14 September 2020.

**EXECUTIVE DIRECTOR, RESOURCES:**

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

**Signature**

*D. Gane*

**Date**

16 September 2020

**CHIEF OF STAFF:**

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

**Signature**

*D. Bellamy*

**Date**

14 September 2020