

**CEO DECISION – CD 144**

**Title: Procurement of Newbridge Advisors for Western Lands Financial Consultancy Support**

**Executive summary**

This decision form seeks approval for expenditure on Newbridge Advisors LLP, whose services are being procured via the TfL property consultancy framework, to assist OPDC in developing its Western Lands proposals and formulating an Outline Business Case (OBC) in contemplation of submitting a bid to government for funding. Since approving the revised approach in January, OPDC's Board has approved a budget for developing this work including at its October 2020 meeting. This expenditure will be committed from that approval in line with the delegation to officers set out in therein.

Newbridge Advisors will support OPDC's development team providing client-side resourcing and expertise in regeneration, property development, funding and development viability.

**Decision**

That the Chief Executive approves:

- expenditure of up to £75k for the services of Newbridge Advisors to support the Western Lands strategy; and
- Use of the Direct Award provisions of the TfL Property Services framework in the procurement and appointment of Newbridge Advisors.

**Chief Executive Officer**

I do not have any disclosable interest in the proposed Decision. It is consistent with OPDC's priorities and has my approval.

**Signature:**



**Date:** 20 October 2020

## **PART 1: NON-CONFIDENTIAL FACTS AND ADVICE**

### **1. Background and context**

- 1.1 In January 2020, the Board approved OPDC's revised delivery approach which included the following the key elements:
- a new focus to the regeneration of the area (as supported by CD130), taking a comprehensive view of the 'Western Lands' along Old Oak Common Lane, Old Oak Lane and Victoria Road where key sites are owned by Department for Transport (DfT) and Network Rail;
  - developing an evidence base of the benefit of a comprehensive and coordinated approach to land, development and infrastructure funding to optimise the strategic opportunities that the area offers;
  - securing the support of major partners including public sector landowners and funders; and
  - developing an engagement plan to ensure local and future communities in the area can influence the development and delivery of this major opportunity for London.
- 1.2 Since January, OPDC officers have engaged with key stakeholders including Network Rail, HS2 and the boroughs to begin the process of securing the support of the major partners to the development of the strategy for Western Lands. OPDC has also engaged with central government – via the Ministry for Homes, Communities and Local Government (MHCLG), Homes England (HE) and the Infrastructure and Projects Authority – to discuss potential funding opportunities.
- 1.3 Over the summer OPDC have developed proposals for the allocation of these sites for mixed use development alongside OPDC's planning officers for the purpose of developing the Local Plan modifications which have been shared with stakeholders, presented at OPDC's October Board and will be subject to further public consultation.
- 1.4 For the development team to support the Local Plan further technical work will focus on the following broad areas:
- funding – where planning gain may not fund sufficient infrastructure, or fund it early enough in the development cycle to support accelerated, high quality delivery;
  - infrastructure – providing greater certainty on cost, deliverability and timing of delivery required to support development;
  - land and rights – providing greater understanding of the land that might be required to deliver infrastructure and public realm improvements; and
  - viability and deliverability – of specific development sites that could be brought forward more quickly.
- 1.5 There are several linked Board decisions and CDs that relate to this request:

- Firstly, CD133 authorised the appointment of Savills to assess the viability of the Channel Gate site and review development capacity in the Western Lands area;
- Secondly, in May 2020, the Board authorised expenditure of £68k to support the finalisation of Prior + Partner's commission and further land and property due diligence work;
- Thirdly, in June 2020, the Board approved a CEO delegation of £150k, to progress the Western Lands funding strategy; an essential component of OPDC's delivery strategy;
- Fourthly, CD 141 draws down on this approval and seeks authority to appoint specialist input from TfL's Operational Property team to support land and property due diligence work; and
- Finally, the 13 October Board paper has superseded these approvals and approved a delegation for the Development Team's Western Lands budget of £440k. This approval is being sought within that delegation.

1.6 This CD is requesting approval from the CEO for consultancy expenditure, drawing on the delegation provided by the Board, to support OPDC's Western Lands strategy and development of OPDC's funding strategy. The commission will directly support the viability and deliverability of the Western Lands approach and provide greater certainty on funding requirements over time.

## **2. The proposal and how it will be delivered**

2.1 OPDC intends to directly procure the services of Newbridge Advisors LLP via TfL's property consultancy framework. Newbridge Advisors have detailed knowledge and experience of working in the OPDC area, having supported the Corporation throughout the early stages of its former strategy. However, the use and justification of a direct procurement route is directly related to the provision within the TfL property consultancy framework which includes direct award of contracts to the highest scoring bidder in the relevant lot.

2.2 The procurement process will follow the standard approach set out within the framework for direct award; OPDC will issue a scope of works to Newbridge Advisors, requesting a proposal within a specified time period. Following receipt of an acceptable proposal both parties will enter into a Call Off Agreement.

2.3 The commission will cover the following work streams:

- Developing an in-house funding model and strategy bringing together infrastructure and development strategies with all available funding sources to target key public sector investment that can be leveraged to accelerate private sector participation.
- Develop framework and project management plan for compiling a SOBC for investment in the western lands and developing a phased approach to more detailed business cases in line with the development programme.

- Work with OPDC and its specialist consultants to advise on options for land packaging, acquisition, pooling and/or investment structures to optimise long term returns for the public sector owned land alongside funding support; and
- Preparing supporting material, studies and/or providing financial consultancy services for the preparation of any business case as required. Although OPDC is working closely with Homes England and MHCLG to develop the Western Lands funding requirements, strategy work is progressing *ahead* of refining the scope and phasing of a package of funding support. This is because some of this work – technical infrastructure studies in particular – supports OPDC’s Local Plan modifications.

2.4 OPDC has positively engaged with MHCLG and Homes England on funding support. However, eligibility for the emerging SHIF has not yet been established. OPDC is also working through its Local Plan modifications as a key step in bringing forward any funding support or direct delivery. As a result, Newbridge is being procured on a call-off contract allowing OPDC to control expenditure in stages. There is therefore no commitment to spend the full budget of £75k.

### **3. Objectives and expected outcomes**

- 3.1 The objective of the proposal is to establish OPDC’s funding and delivery strategy for the Western Lands.
- 3.2 The output will be a series of advice notes and/or short reports focussed on the Western Lands funding and financing strategy and in-house support to develop strategies that can be adopted by OPDC’s senior management and board.
- 3.3 The outcome will be an increase in the Corporation’s knowledge and understanding of its funding and financing position. In addition, the appointment of Newbridge will strengthen the team’s depth in this key area and provide much needed expertise to progress the Western Lands strategy, particularly any future bid for central government funding.
- 3.4 Newbridge Advisors will be appointed for 12 months.

### **4. Strategic fit**

- 4.1 This proposal supports OPDC’s Western Lands strategy; a revised delivery approach which was approved by the Board in January 2020.

### **5. Project governance and assurance**

- 5.1 The Development Director will act as Senior Responsible Officer (SRO) for this procurement, and the subsequent management of the Newbridge Advisors contract. Day to Day management of the work will be led by the Senior Development Surveyor.
- 5.2 The SRO will coordinate, control and regularly monitor Newbridge Advisor’s instructions and outputs; ensuring that relevant outputs are reported internally. As OPDC is *anticipating* the opportunity to submit a SHIF application, Newbridge Advisors will only be required to support the application/business case process if

OPDC satisfies the relevant MHCLG funding criteria for eligibility. There is therefore no commitment to spend the full budget of £75k.

### *Risks and issues*

5.3 The following risks are associated with this proposal:

Risk description	Inherent Score	Mitigations	Target Score
Delay in procuring consultancy support results in an unacceptable delay to the funding and financing outputs.	Likelihood: 2 Impact: 3 Total: 6	Mitigated by the direct procurement route.	Likelihood: 1 Impact: 3 Total: 3
Outputs are poor quality and/or lack relevance.	Likelihood: 3 Impact: 5 Total: 10	Mitigated by organised and focussed client-side project/day to day management, regular briefings and clear instructions for each deliverable.	Likelihood: 2 Impact: 4 Total: 8

5.4 There are no extant issues that require management or mitigation.

## **6. Equality comments**

6.1 OPDC must have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation as well as to the need to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not.<sup>1</sup>

6.2 The outputs from the Newbridge Advisor's consultancy commission, where material to future corporate plans, strategies, policy development, communications, investment/funding requests and delivery plans, which will be subject to equalities assessments at the appropriate time. This will inform how OPDC, the Mayor and other Stakeholders can ensure that the investment in HS2 and other public sector assets can be leveraged locally to maximise regenerative impacts and opportunities for local communities.

6.3 Newbridge Advisors has an adopted Equal Opportunities Policy.

## **7. Other considerations**

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<sup>1</sup> This involves having due regard to: the need to remove or minimise any disadvantage suffered by those who share a protected characteristic or one that is connected to that characteristic; taking steps to meet the different needs of such people; and encouraging them to participate in public life or in any other activity where their participation is disproportionately low. The protected characteristics and groups are: age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation and marriage/ civil partnership status. Compliance with the Equality Act may involve treating people with a protected characteristic more favourably than those without the characteristic. The duty must be exercised with an open mind and at the time a Decision is taken in the exercise of the OPDC's functions.

### *Use and justification of direct procurement route*

- 7.1 OPDC intends to directly procure the services of Newbridge Advisors LLP via TfL's property consultancy framework. The framework includes explicit provision for the direct award of contracts, without the need for a competition, to the highest scoring bidder within specific 'lots'. The contract value must be less than £75k and meet certain conditions (which mainly relate to the level of project risk).
- 7.2 This commission falls within the financial services 'lot', is considered low risk and the value will not exceed the £75k threshold. This decision requests approval, by the CEO, for exemption from the Contracts and Funding Code in the procurement and appointment of Newbridge Advisors.
- 7.3 There are no other considerations that need to be noted in the taking of his decision.

## **8. Conflicts of interest**

- 8.1 No one involved in the preparation or clearance of this Form, or its substantive proposal, has any conflict of interest.

## **9. Financial comments**

- 9.1 Expenditure of up to £75,000 will be funded from the Western Lands budget in the Delivery directorate. This spans across two financial years with anticipated expenditure of £50,000 in 20/21 and £25,000 in 21/22.
- 9.2 Project officer(s) must liaise with TfL Procurement with regards to awarding the contract directly prior to making any contractual commitments. Advice should be sought in how to best secure value for money.
- 9.3 Further expenditure and contract variations are subject the Corporation's decision making process.
- 9.4 A summary of spend to date within the overall Western Lands budget of £440k is included below:

Decisions	Drawn down	Total approval
CD130	£100,000	£100,000
CD133	£40,000	£40,000
May Board 2020	£41,170	£68,000
June Board 2020	0	£150,000
CD141	£35,000*	Included
Total expenditure	£216,170	£358,000
Total Western Lands Budget	£440,000**	
Total Western Lands Budget less expenditure	£223,830	*Approval within June 2020 Board delegation ** Approved at October 2020 Board

## 10. Legal comments

- 10.1 The report above indicates that the decision requested of the Chief Executive falls with the OPDC's object of securing the regeneration of the Old Oak and Park Royal area and its powers to do anything it considers appropriate for the purpose of its objects or purposes incidental to those purposes, as set out in the Localism Act 2011.
- 10.2 In taking the decisions requested, the Chief Executive must have due regard to the Public Sector Equality Duty, namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010). To this end, the Chief Executive should have particular regard to section 3 (above) of this report.
- 10.3 The services required should be procured in accordance with the OPDC's Contracts and Funding Code by relevant procurement officers. Officers must ensure that appropriate contract documentation is put in place and executed by Newbridge Advisors and OPDC before the commencement of the services.

## 11. Summary timeline

Activity	Date
Response to request for proposal received	9 <sup>th</sup> October 2020
Delivery start date	Week commencing 26 <sup>th</sup> October 2020
Delivery end date	October 2021

## Appendices

- None

## Other supporting papers

- October 2020 Board paper
- Newbridge Equal Opportunities

## PUBLIC ACCESS TO INFORMATION

Information in this Form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA). OPDC aims to publish the Form within three working day of approval.

If immediate publication risks compromising the implementation of the Decision (for example, impacting a procurement process), it can be deferred until a specific date (when it will be published). Deferral periods are kept to the shortest length strictly necessary.

### Part 1 – Deferral

Publication of this Part 1 is to be deferred: **No**

The deferral is until: N/A

### Part 2 – Confidential information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in or attached to any separate Part 2 Form, together with the rationale for withholding the information at this time.

There is a separate and confidential Part 2 Form: **No**

## DECLARATIONS

**Drafting officer:** Davena Wilson has drafted this Form in accordance with OPDC procedures, including for handling conflicts of interests, and confirm that: ☒

**Advice:** The Finance and Legal teams have commented on the proposal. ☒

## CONFIRMATIONS

**Section 106 funding:** N/A

**SMT review:** This Decision was circulated to the **Senior Management Team** for review on 15.10.20.

### Chief Finance Officer

Financial and legal implications have been appropriately considered in the preparation of this Form.

**Signature:**

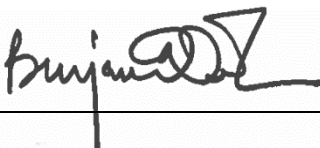


**Date:** 20/10/20

### Development Director

I do not have any disclosable interest in the proposed Decision. It is consistent with OPDC's priorities and can be referred to the CEO for final approval.

**Signature:**



**Date:** 20.10.20