

Report of the Director of Place to the meeting of the Regeneration and Environment Overview and Scrutiny Committee to be held on 3rd July 2018

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Subject:

One City Park

Summary statement:

This report will update Members on progress on the One City Park (OCP) scheme and, in accordance with Section 4.6 of the Contracts Standing Orders, also reports the Council's intention, subject to approval of the Executive, to commence the formal process to procure a Development Partner for this project.

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1. SUMMARY

- 1.1. This report will update Members on progress on the One City Park (OCP) scheme and, in accordance with Section 4.6 of the Contracts Standing Orders, also reports the Council's intention, subject to approval of the Executive, to commence the process to procure a Development Partner for this project.

2. BACKGROUND

- 2.1 At its meeting of the 17th November 2017 a report was presented to Scrutiny Committee that reminded Members of the proposals to promote the development of the One City Park (OCP) scheme to deliver new grade 'A' office and associated commercial city centre accommodation and outlined progress on the project since the site was originally acquired from the Homes & Communities Agency in 2013.
- 2.2 The Report also outlined the proposed path of travel for the future delivery of the project that will involve the Council appointing a preferred development partner through a formal procurement exercise to carry out the final delivery of the OCP scheme.
- 2.3 This included undertaking a series of prior market engagement exercises that were intended to advise the commercial property development/investment sector of the attractive opportunity that the OCP scheme presents and to ensure that the Council was able to promote the opportunity to as wide an audience as possible in an attempt to attract the optimum quality and calibre of submissions as possible.
- 2.4 This exercise was launched by the Council at MIPIM (UK), a key event for property professionals held in October 2017, this was supplemented by advertising the OCP opportunity in a number of trade journals and culminated in the scheme being featured at the premier international property market event, MIPIM 2018 in March of this year.
- 2.5 With the OCP scheme having been presented informally to the property world the next step was to be the Council commencing the process to identify and appoint a preferred Development Partner through a formal procurement process as reported to Scrutiny Committee's November 2017 meeting.

3. CURRENT POSITION AND OTHER CONSIDERATIONS

- 3.1 The original acquisition of the Tyrls/One City Park site was driven by the Council's fundamental objective of wanting to drive economic growth, secure investment, generate the creation and expansion of businesses and the provision of high quality jobs and skills opportunities by facilitating the delivery of new 'Grade A' office accommodation. The November Scrutiny report reaffirmed that the OCP site is a key location to deliver such accommodation and this position was noted by Members.
- 3.2 Members were also advised in the same report that in order to progress the OCP project it was intended that officers were, in early 2018, to undertake a more formal process to secure a preferred development partner.

- 3.3 Having obtained and considered external professional advice and consulted Corporate Finance, Procurement and Legal Services colleagues on how best to undertake the proposed development partner procurement process, it is considered that the most appropriate route is for the Council to formally issue an Official Journal of the European Union (OJEU) notice of its wish to secure a preferred development partner to assist in the delivery of the OCP scheme and the appointment will be managed using the Competitive Dialogue procedure.
- 3.4 As a result a report has been prepared for consideration by the Executive Committee at its July 2018 meeting seeking approval to issue the requisite OJEU notice to commence the formal procurement process. Should the Executive grant approval to proceed on this basis the requisite OJEU notice may be issued by the end of July 2018 and the necessary procurement work undertaken with the aim to appoint a preferred partner by April 2019
- 3.5 Although the appointment of a preferred project partner and the development of the OCP scheme is not technically a public service contract, the value of the proposed development will be above the prescribed EU thresholds for the award of public contracts. In consequence the Council, as a Contracting Authority is required to formally procure its development partner in accordance with the European Commission's public procurement regulations and also the Council's own Contracts Standing Orders. In accordance with Section 4 of the Council's Contracts Standing Orders this report brings this proposed procurement of a contract with a total estimated contract value in excess of £2m to the attention of this Scrutiny Committee as required before activating the proposed procurement process formally and inviting tenders from interested parties.
- 3.6 The draft timescales for delivery are:

Summer 2018 - April 19	Procurement process by Competitive Dialogue
April 19	Executive to endorse final tender, contract award
April 19 – Jan 20	Development Partner design and planning process
Jan – Mar 20	Development Partner technical approvals and procurement of main contractor
Apr 20	Construction start
Mar 21	Construction completed

4. FINANCIAL & RESOURCE APPRAISAL

- 4.1 One City Park is a key site in Bradford City Centre, which is identified as a Leeds City Region “Urban Growth Centre” spatial priority area in the LEP’s Strategic Economic Plan 2016/36. As such the West Yorkshire Combined Authority (WYCA) has approved in principle grant funding of £5.2 million to support the scheme. This funding is on the basis that the construction of the scheme will be completed by the end of March 2021.
- 4.2 £400,000 out of the £5.2m was allocated for spend in 2015/16 on enabling works to demolish the Tyrls building (former police station) and rehabilitate the OCP site for future development. The funding agreement for this initial £400,000 was completed in the form of a repayable loan with WYCA and the monies drawn down in March 2016. The amount repayable to WYCA will be settled from capital receipts from the sale of the site following completion of the development.
- 4.3 The remaining funding of £4.8 million is approved in principle subject to a funding agreement being agreed between the Council and WYCA.
- 4.4 As well as the WYCA funding the Council may, as a result of the exercise to procure a preferred development partner and the agreement of a suitable delivery solution, need to make available additional resources as referred to at 3.3 to ensure the timely delivery of the OCP scheme on a financially viable basis. The competitive dialogue process will be managed in such a way as to minimise any such requirements with all proposals being subject to rigorous assessment and negotiation. Should any such additional resource requirements emerge through the competitive dialogue procedure and project development process, the Council would not be committed to accepting these. Such additional resource requirements will be presented through the appropriate corporate and committee bodies for consideration prior to entering into contract.
- 4.5 All costs incurred by the Council in carrying out the full procurement exercise will be covered by dedicated funds currently allocated within existing Department of Place, Economy and Development revenue budgets.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

- 5.1 The Governance responsibilities for the project will rest with the Strategic Director Place and Project development and management activities will be led by the Assistant Director, Department of Place (Economy and Development).

6. LEGAL APPRAISAL

- 6.1 Legal Services have considered the recommendations made by external professional project management on the procurement route, and have confirmed that the proposed Competitive Dialogue procedure is an OJEU compliant process. It is recommended that:
- i. Following completion of the outlined process to appoint a preferred Development Partner, a Development Agreement and associated legal documents is negotiated between the Council and the preferred Developer in order to set out the parties’ obligations, responsibilities and actions to deliver

the OCP scheme. These will be produced under the direction of officers of EDS in collaboration with both Legal and Financial Services, and

- ii Appropriate steps be taken to ensure that any conditions attached to the WYCA grant will be satisfied by the preferred developer.

7. OTHER IMPLICATIONS

7.1 EQUALITY & DIVERSITY

At this stage there are no specific equality and diversity issues

7.2 SUSTAINABILITY IMPLICATIONS

The successful development of the site will promote the economic, physical and environmental sustainability of the city centre. Specific building performance issues will be addressed through the project development process.

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

Any potential impacts will be identified as part of the project development processes and will inform design and future management issues as required.

7.4 COMMUNITY SAFETY IMPLICATIONS

There are no community safety implications at this stage; however these will be monitored as work progresses.

7.5 HUMAN RIGHTS ACT

There are no Human Rights implications

7.6 TRADE UNION

There are no Trade Union issues.

7.7 WARD IMPLICATIONS

none.

7.9 IMPLICATIONS FOR CORPORATE PARENTING

None.

7.10 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

None

8. NOT FOR PUBLICATION DOCUMENTS

None

9. RECOMMENDATIONS

9.1 That it be noted that:

- (i) it is the intention of the Strategic Director, Place, subject to the approval of the Executive, to issue an Official Journal of the European Union (OJEU) Notice to commence the formal process to procure a preferred development partner for the One City Park project.
- (ii) the value of the One City Park project is in excess of £2 million and this matter is therefore reported to the Committee in accordance with Paragraph 4.6 of Part 3G of the Council's Constitution (Contracts Standing Orders).

10. APPENDICES

Appendix 1 – Plan of the One City Park Development Site.

11. BACKGROUND DOCUMENTS

One City Park Report to the meeting of the Regeneration and Economy Overview & Scrutiny Committee to be held on 14 November 2017

<https://bradford.moderngov.co.uk/documents/s17818/14NovDocJ.pdf>

Appendix 1 - Plan of the One City Park Development Site

