

Agenda Item 5

To: City Executive Board

Date: 25 May 2011 **Item No:**

Report of: Head of Corporate Assets and Head of Finance

Title of Report: Barton – Land Development

Summary and Recommendations

Purpose of report: To advise Members of the outcome of the detailed tendering exercise undertaken for the procurement of a co-investment partner, and to seek approval and confirm the preferred bidder with a view to the Council entering into a Joint Venture vehicle, as detailed in this Report, with that preferred bidder.

Key decision? Yes

Executive lead member: Cllr Ed Turner –
Finance, Corporate Assets and Strategic Planning

Report approved by: Executive Director City Regeneration and Housing

Finance: Jackie Yates, Director of Finance and Efficiency

Legal: Lindsay Cane, Legal Services Manager

Policy Framework:

- More Housing, better Housing for all
- Stronger and more inclusive communities
- Improve the local quality of life
- Reduce crime and anti-social behaviour
- Tackle climate change and promote environmental resource management
- Regeneration Framework
- Oxfordshire Local Investment Plan (with HCA)

Recommendation(s):

That the City Executive Board:

1. Note the contents of this Report, particularly the structure, detail and process of evaluation that has been undertaken.
2. Note the outcome and conclusions of the value-for-money comparator work undertaken.
3. Approve the selection of Grosvenor Developments Ltd ('Grosvenor') as the preferred private sector co-investment partner.
4. Grants delegated authority to the Executive Director, Regeneration and Housing to authorise the Council's entry into a limited liability joint venture partnership ("LLP") with Grosvenor Developments Limited, the principles of the LLP to be consistent with the provisions of the Heads of Terms attached to this report in the Not for Publication appendix.
5. Upon establishment of the Joint Venture agree the transfer of the Council's freehold interest in the site to the Joint Venture on the terms as set out in this Report, and the Not for Publication Confidential Appendix, and otherwise on detailed terms and conditions to be approved by the Head of Corporate Assets.
6. Confirm the appointment of the Chief Executive, the Executive Director of Regeneration and Housing and the Director of Finance and Efficiency as the Council's three representatives on the Board of the Joint Venture.
7. Confirm the appointment of up to three officers of the Council to serve as members of the Executive Project Group of the Joint Venture, to be appointed by the Executive Director of Regeneration and Housing.
8. Agree the placing of any voluntary notice in regard to this procurement exercise as is considered appropriate to give adequate notice of the Council's selection of its co-investment partner.
9. Agree that St Modwen will be held as the preferred under-bidder, subject to a further report back to CEB before any action is taken in this respect.

Appendices

1. Site Plan
2. CEB Report 10 November 2010, Development of Land at Barton/Next Steps - Minutes
3. Project Board Terms of Reference
4. List of Stage 1 Bidders
5. Stage 2 Evaluation Criteria
6. Risk Register
7. Exempt from Publication Content
 - Stage 2 Tender Evaluation Scores
 - Legal Implications
 - Financial Implications
 - Land Transfer Details
8. Exempt from Publication Content
 - Draft Heads of Terms

Background

1. At its meeting held on 10th November 2010 the City Executive Board agreed the principle of the proposed delivery method for the development of the site at Barton, being the establishment of a joint venture vehicle between the Council and an infrastructure fund provider. It also approved the commencement of a bespoke competition that would lead to the identification of a suitable infrastructure fund partner, on the basis that there would be a further report back to the Board before any decision was made or commitment given.
2. This report now serves to set out the detail of that procurement process and to make appropriate recommendations as to the way forward. For ease of reference the full details of the resolutions arising from the original report are as set out in the attached Appendix 2.

Tendering and Evaluation processes

3. A detailed Memorandum of Information and Stage 1 Questionnaire were issued in November 2010 with a required response date of 14th January 2011. Extensive due diligence had been undertaken by the Council in advance of this, and all of that information was made available to bidders via an electronic data room established for the purpose.
4. In terms of internal governance, the Council has established a Barton Project Board under the chairmanship of the Executive Director City Regeneration and Housing. The agreed protocol has been that at all key decision points the Project Board has met and approved sign off prior to the project being able to proceed to the next stage. The terms of reference of the Project Board are attached as Appendix 3.
5. Bids have been evaluated by a small team of Council Officers, namely Head of Corporate Assets, Major Projects & Disposals Manager, Executive Director - City Regeneration and Housing, Business Finance Partner and Head of Business Improvement. (In this context Mel Barrett participated in Stage 1 evaluations, David Edwards in Stage 2. Other Officers were consistent in both stages of evaluation). The evaluation panel has been chaired by senior representatives of Eversheds, the Council's retained external legal advisers.
6. The initial bids accounted for 90% of the available marks, the subsequent interview process then allowed bidders to earn up to an additional 10%.

Stage 1 Evaluation

7. By the due date of 14th January a total of 21 bids had been received, and these are as detailed in the attached Appendix 4 - List of Stage 1 Bidders. The Stage 1 Questionnaire stated that the Council would select up to 8 parties (assuming that there were 8 suitably qualified bids) to be

invited to attend an interview as part of the Stage 1 evaluation process. The results of the preliminary evaluation showed that there were 6 bids that were a clear margin above the others and these were:

- Morgan Sindall Investments
- St Modwens
- British Land Company Plc
- Grosvenor Investments Limited
- Skanska
- Grainger Plc

8. Those 6 parties were invited to attend interviews by the Evaluation Panel on 25th and 26th January. The outcome of that process was that Morgan Sindall Investments, St Modwen, British Land Company Plc and Grosvenor Investments Limited emerged as the top 4 bidders, and the Project Board agreed at its meeting on 4th February that those 4 bidders be taken through to Stage 2.

Stage 2 Process

9. Stage 2 tender documentation was issued on 7th February with a response by date of 1st April 2011. Bidders were required to submit information as provided for in Section 3 of the Stage 2 documentation with responses required to comprise:

- marked up Heads of Terms with attached commentary of structural issues,
- funding proposal, and
- implementation plan.

The detail of the evaluation criteria, sub criteria and relative weightings for Stage 2 is attached as Appendix 5.

10. As part of the Stage 2 bidding process, bidders were given a number of opportunities to enter into discussions and negotiations with the Council and its advisers through a series of workstream meetings to discuss and clarify specialist detailed issues. These included

- legal structure/heads of terms
- property issues
- commercial and financial issues
- planning and affordable housing and
- proposed energy infrastructure strategy
- highway, education issues.

11. Meetings were held over a period of approximately 6 weeks through February and March, and involved relevant senior officers of the Council, County Council colleagues in relation to education, transport, adult social care etc issues, and our retained consultants as necessary.

12. These meetings were helpful on a number of levels, not the least of which it gave bidders the opportunity to meet key stakeholders face-to-face and perhaps most beneficially it started to make real the opportunity for all involved.
13. It was also felt that it would be beneficial for bidders to meet with Lead Members prior to the final submission date, and accordingly bidders attended individually with the Leader and Deputy Leader of the Council and senior officers on 18th March where they made a brief presentation and were involved in a short question and answer session.
14. Stage 2 bids were evaluated by the Evaluation Panel during the first two weeks of April, with clarifications from bidders being obtained as necessary. Recommendations were presented to the project Board on 13th April and with final sign off as to the Council's preferred co-investment partner being obtained on 21st April, subject to formal CEB approval being obtained.
15. By the deadline, 3 bids had been received from St Modwen, Grosvenor Developments Limited and British Land Company Plc. Details of the overall scores of the 3 bids received are as set out in the Not for Publication confidential appendix. Morgan Sindall Investments had advised that they were not proposing to proceed with a submission.
16. The outcome of the evaluation was that Grosvenor Developments Limited emerged as the preferred bidder. A full analysis of the submitted bid and financial model, details of the provisionally agreed Heads of Terms etc of Grosvenor are as set out in the Not for Publication Confidential Appendix to this Report. It should be noted that it is additionally intended to retain a preferred under-bidder, St Modwen, on the basis that there would be a further full report back to CEB prior to any action being taken in this respect. This would only trigger in the unlikely eventuality of closure with the preferred bidder not being achieved within acceptable timescales.
17. Full details of the under-bidder's submitted bid, financials etc are not included within this Report, but it should be noted that in broad terms their offer would also offer a value-for-money solution compared to the outcome of the value-for-money comparator analysis set out below.

Economic, social and environmental benefits

18. The economic, social and environmental benefits to be achieved and delivered through this innovative Joint Venture vehicle were clearly set out (particularly at paragraph 28) of the report approved by CEB on 10th November 2010. These in turn were rehearsed in the related Memorandum of Information and other procurement documentation, and will be enshrined as the Objectives of the Limited Liability Partnership (LLP). The Procurement Policy of the LLP will reflect fully the principles

of the Council's own Procurement Strategy, which will maximise the opportunity to encompass training, apprenticeships and job creation opportunities. The final development can be expected to contain a new primary school and other community infrastructure of a scale to support a vibrant and sustainable community. Opportunities to maximise the co-location and sharing of such facilities will be fully explored.

Climate Change / Environmental Impact

19. The development will need to consider the impact upon Bayswater Brooke, and in particular the watercourses and the hydrology of the site. Measures to avoid and mitigate any potential impacts, such as sustainable drainage measures to prevent pollution of ground water may therefore be required. The project provides an opportunity to remediate or remove the historic landfill on the site.
20. Residential units forming part of the development will be constructed to code of sustainable homes level 4 up to 2016, and at level 6 after that date, and otherwise in accordance with building regulation requirements.

Equalities Implications

21. Initial consultations have been undertaken with the Head of People & Equalities in relation to the Barton project from the equalities perspective. There are various stages in undertaking this significant strategic partnership. In seeking a partner for a joint venture, each bidder has a key requirement as part of the procurement policy process to meet and embed the Council's requirements, for example including meeting the Oxford living wage.
22. In terms of the Equalities Impact Assessment (EqIA) the joint delivery partner will then take responsibility for undertaking a strategic EqIA in the first instance. Subsequently, each separate and distinct operational phase (e.g., the sale of the land) will also require an EqIA in order to ensure the various equalities perspective are being actively considered and opportunity promoted.
23. Generally, the project objectives are likely to have a significant positive impact on the community: building new and affordable housing, the holistic regeneration of Barton to embrace wider public engagement, social inclusion and complimentary facilities, the commitment to release land by the Council for the project, and improved transport links.
24. The Heads of Corporate Assets and People & Equalities will continue to liaise as the project progresses and the equalities perspective will be a key consideration of the delivery board (add in requirement to "adopt" Council policies).
25. The Joint Venture partnership will adopt policies supporting equalities and diversity, job creation, employment and regeneration benefits in line

with the Council's Procurement Commissioning and Supplier Management Strategy 2010, and its Regeneration Framework.

Financial Implications

Tender Evaluation

26. All the bids received at stage 2 were of high quality from organisations that have the financial capability to partner with Oxford City council in a project of this nature.
27. The bids submitted included a written report and a financial model. As part of the evaluation process a review of the financial models was undertaken to:
 - Understand the financial returns and cash flow assumptions in the model and ensure they reflected the bid documentation.
 - Ensure models were technically sound, i.e. that the formula within the financial model were technically correct, fed through correctly into the overall outputs; and that
 - The model structures were robust and contained the expected provisions in respect of the tender requirements.
29. The financial model provided by GDL is technically robust and reflects the partnership structure set out within the bid documentation. It assesses feasibility by displaying Net Present Value profits and an Internal Rate of Return calculation.
30. Details of the specifics of the Grosvenor bid are contained within the confidential Annex.

Value for Money Analysis

31. The CEB report dated 10 November 2010 outlined the potential to use the Council's prudential borrowing powers to facilitate delivery of the scheme. It further stated that this option will be used as a 'comparator' in evaluating submitted bids.
32. The objective of the VfM comparator is not to look at an alternative solution but to inform the Council on the cost of capital, risk transfer issues and timescales for delivery. Competition from a vibrant market will generally deliver a VFM outcome, and the VfM model has been used to inform the process.
33. The comparator model is largely based on the same assumptions provided to the bidders, with the exception that the Council funds the infrastructure and takes all/more profit from the scheme. There are two variants of the model:

34. The Traditional Council Approach – This assumes that the Council project manages the infrastructure development and manages the procurement process with a development manager. It further assumes the Council funds the project through prudential borrowing and that the procurement process would be subject to EU Regulations.
35. The Joint Venture Development Partner Approach – This assumes the set up of a joint venture (JV) company with a development partner procured via EU procedures, with the JV subsequently managing the infrastructure development and associated procurement processes. As above it assumes the council would fund the costs through prudential borrowing.
36. In summary the comparator model demonstrates the following:

The Traditional Council Approach

37. Due to procurement timelines under EU procedures, the model illustrates that homes would not be available until August 2016, 3 years later than the target date. Consequently, there are associated increases in infrastructure costs. Hence, the project would only break even with a split of 68% Private and 32% affordable homes. A loss of - £7.4M would be incurred at 40%.
38. All cost increases would be at the Council's risk.

The JV Development Partner Approach

39. This assumes that the partner could achieve savings of 25% in fees payable for project management, procurement and professional support during the development period. This is a very high level of savings and may be unrealistic. However, on this basis the scheme breaks even with a 65% market and 35% affordable split.
40. A significant element of financial risk also remains with the Council.

Conclusions

41. The bid put forward by Grosvenor offers the Council a financially viable model that provides a good level of return and meets its housing aims within timetable.
42. The proposal provides for equity in the joint venture partnership and promotes a genuine partnership model for delivery. The proposal also clearly offers value for money compared to the Council undertaking the project itself.
43. Grosvenor Group Ltd provides a strong funding partner for the joint venture. The rate of return to the council from the LLP is good and there

is the option for OCC to inject funding to increase affordable housing provision on the site if it chooses.

Legal Implications

44. The proposed Members' Agreement between the Council and Grosvenor will set out the parties' rights and obligations as members of the new Limited Liability Partnership. In regard to the governance arrangements of the LLP the following points concerning decision making and deadlock may be of particular interest.

Decision Making and Deadlock

Note that reference to member in this section is to a member of the LLP – i.e. the Council or GDL and not to elected members within the Council.

1. The LLP will have a three tiered governance structure (see paragraph 2.4 of the legally privileged advice contained in the attached Not for Publication Appendix 7). The Members' Agreement will contain a delegation matrix setting out which of the three decision making bodies (the Executive Project Group, the Partnership Board and the Members) have the approval rights for decisions to be taken by or in respect of the LLP.
2. Subject to certain exceptions (set out at paragraph 2.10 of the legally privileged advice contained in the attached Not for Publication Appendix 7), all decisions at both Member and Partnership Board levels will be made by unanimous consent. The decision making process at Executive Project Group level is the subject of further discussion with GDL. At Member level, each Member will have one vote and at Partnership Board level, the three appointed representatives of the Council will have one collective vote and the three appointed representatives of GDL will have one collective vote. The Partnership Board will have a chair which will rotate annually from the Council to GDL and the chair will not have a casting vote.
 - 2.1 Examples of matters which are currently drafting as requiring the approval of the Members are:
 - 2.2 any variation to the objectives of the LLP;
 - 2.3 the adoption or any variation to the Investment Plan or any Implementation Plan;
 - 2.4 any variation to the accounting policies or principles of the LLP.
3. Examples of matters which are currently drafted as requiring the approval of the Partnership Board are:
 - 3.1 approving the annual budget of the LLP;

- 3.2 approving the disposal of any assets by the LLP;
- 3.3 declaring any distribution.
- 4. If a resolution at either Partnership Board Level or Member level is not approved by both the Council and GDL, the relevant meeting will be adjourned and reconvened 10 Business Days later. If the resolution is not passed at this meeting and is considered by either Member as sufficiently material to the LLP that it cannot carry on the business of the LLP then that matter becomes a deadlock matter if a Member notifies it as such to the other Member. Any disagreement at Executive Project Group level will be referred to the Partnership Board for determination and will not immediately become a deadlock matter (unless there is lack of agreement at Partnership Board level).
- 5. The Members' Agreement will contain the following escalation procedure for a deadlock matter:
 - 5.1 first, both parties must use all reasonable endeavours to agree the matter between themselves within 10 Business Days;
 - 5.2 secondly, the matter is escalated to the respective Chief Executives of the Members (or other senior officer if the Chief Executive is not available).
- 6. In the absence of agreement by the Chief Executives, the matter will be referred to a suitable expert (either a joint appointment or appointed by a suitable independent body) for a final and binding determination.
- 7. If either Member believes that the matter is not suitable of being determined by an expert then the matter becomes a deadlock event and either Member is entitled to require the LLP to appoint an independent valuer to value both the assets held by the LLP and each member's interest in the LLP. The Council (or its nominee) will then have the right to acquire the land at the value set out in the report of the valuer. If the Council chooses not to exercise its right to then the LLP shall instruct the valuer to sell the assets of the LLP or the Members' interests in the LLP to a third party (and not GDL or any connected body of it). If such third party sale is not agreed within a set period then the LLP shall be wound up.
- 8. In order to prevent a party engineering a deadlock matter, the Draft Documentation sets out that the failure to agree certain matters will not lead to a deadlock with the status quo at that time being maintained. As currently drafted they include:
 - 8.1 any proposed alteration to the objectives and/or business of the LLP;
 - 8.2 the adoption or variation of the Investment Plan or any Implementation Plan; and

- 8.3 the proposed adoption of an annual budget for the LLP (which in the absence of agreement will be referred to an independent expert for a binding decision).
 - 8.4 This list is not exhaustive and is subject to further discussion with GDL. Further discussion is also required as to what matters will automatically be referred to an expert for resolution to avoid disputed matters leading to a winding up of the LLP.
 - 8.5 In addition, each member will be deemed to have a conflict with the LLP in certain circumstances. Examples are where there is a decision to be made in respect of an alleged breach by that member of the Members' Agreement or another material agreement between the LLP and that Member. For the Council this will be the agreements relating to the transfer of its land to the LLP and for GDL this will be the agreements relating to the providing of finance to the LLP. For a decision on such a matter, at both Partnership Board level and Member level, the other member (e.g. the Council in respect of a GDL conflict matter) will be entitled to make the decision without the approval of the other member.
45. Throughout the Barton development project the Council has been advised by Eversheds solicitors, who have provided the legal report attached in the Not for Publication appendix to this CEB report. This sets out the legal position of the Council in regard to a number of the key matters concerning the project, including the structure of the proposed co-investment partnership,, the current status of the negotiations with the preferred bidder, the procurement considerations, the status of the proposed limited liability partnership, any relevant state aid considerations, the Council's ability to become directly involved in project funding, and how the Council is ensuring that it is acting intra-vires and obtaining best consideration.

Area Action Plan Update

46. The Barton Area Action Plan has now reached its second formal stage - the Preferred Options. The document sets out a range of options for public consultation. These options are the most promising that have been identified based on technical and financial studies, collaboration with the local community and other stakeholders, and on the responses to the consultation on the first formal (Issues) stage of the AAP process during summer of 2010. The Preferred Options document was agreed by CEB on 13 April 2011. The consultation will begin on 13th May 2011 and run for six weeks, finishing on 24 June 2011. A wide range of different tools will be used to publicise the consultation and gather views; the consultation strategy will be cleared with the Barton and Northway Working Group before the consultation starts. A Sustainability Appraisal has been carried out to ensure that the plan considers the potential environmental, social and economic impacts of the proposals.

47. The Preferred Options document deals only with those issues that need to be covered in the AAP and contains an appropriate level of detail given that the joint venture partner had yet to be identified. The options are based on four themes: a vibrant and balanced new community; integration; regeneration; and innovative and responsive design. The City Council's preferred options combine together to form a preferred strategy or framework. The main components are:
- residential frontages along the ring-road, Barton Village Road and a new park alongside Bayswater Brook
 - a speed reduction on the ring-road to 40 mph
 - a signal-controlled junction on the ring-road with bus-only access to Northway
 - cycle and pedestrian crossings on the ring-road and connections to Barton and the surrounding countryside
 - retention of the cultivated allotment land
 - a local centre
 - at least 40% affordable housing (for social rent)
 - a primary street linking the western end of the development site with Barton
48. The responses to the Preferred Options document will help inform the draft AAP that the City Council will submit to the Secretary of State. Known as the Proposed Submission document, it will be published in autumn 2011 when there will be another chance for the public and stakeholders to comment. The AAP is due to be submitted to the Secretary of State in January 2012 and adopted in autumn 2012. This timetable reflects the City Council's ambition to see development on the Land at Barton commence in 2013.

Risk Implications

49. A risk assessment has been carried out and is attached at Appendix 6.

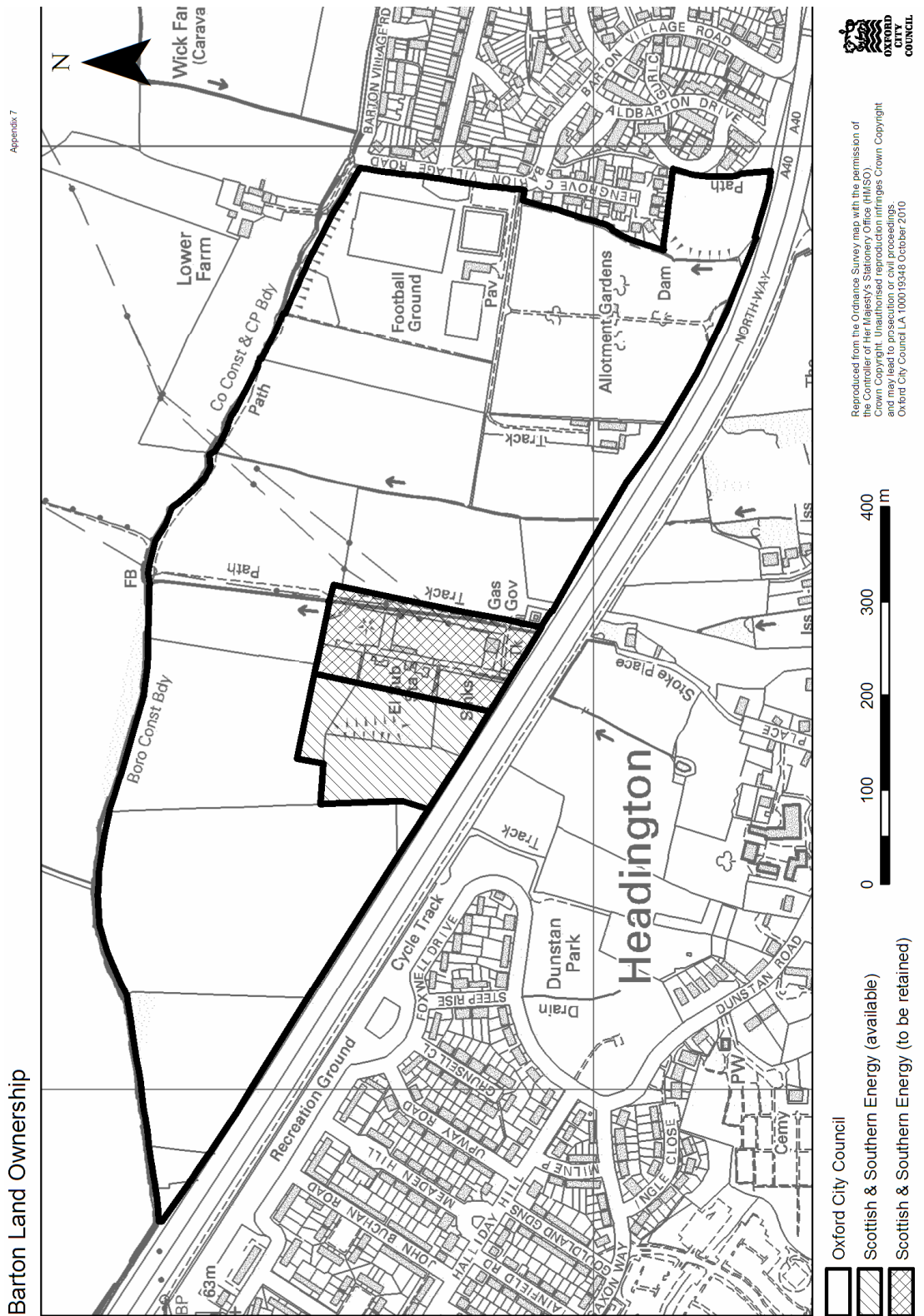
Name and contact details of author: **Steve Sprason**
ssprason@oxford.gov.uk
Extension: 2802

Nigel Kennedy
nkennedy@oxford.gov.uk
Extension: 2708

List of background papers:

1. CEB Report dated 31st March 2010, Land at Barton – Possible Disposal Opportunity
2. CEB Report dated 10th November 2010, Development of Land at Barton/ Next Steps

Version number: 6



CEB Report 10 November 2010, Development of Land at Barton/Next Steps - Minutes

The Interim Head of Corporate Assets submitted a report (previously circulated and now appended).

Resolved:-

- (1) To agree the principle of the proposed delivery method, being the establishment of a joint venture vehicle between the Council and an infrastructure fund provider;
- (2) To approve the commencement of a bespoke competition leading to the identification of a suitable infrastructure fund partner, as set out in the report, with a report back to the Board before any decision was made or commitment given;
- (3) To agree that the Council (as landowner) confirm that the minimum requirement for affordable housing be set at 40% (and with that 40% being 100% social rented) as a result of the exceptional infrastructure costs of the project, and to authorise the entering into discussions with the local planning authority with a view to achieving that requirement, noting that the Homes and Communities Agency grant towards these costs could not be guaranteed in the current climate;
- (4) Subject to agreement by the local planning authority, to agree the principle of there being "priority" and "secondary" lists of required planning obligations, to be delivered subject to viability considerations;
- (5) To agree that resolutions (3) and (4) above to subject to the inclusion of appropriate mechanisms and checks and balances to ensure that the Council in its capacity as a partner in the joint venture used best endeavours to deliver at least 50% affordable housing (80% social rented, 20% shared ownership) and delivery of additional "secondary" planning obligations, through the possible opportunities described in the report, and subject to viability and affordability considerations;
- (6) To confirm that housing development on the site between 2013-16 be built to Code of Sustainable Homes level 4, and after that date to code level 6, subject to the prevailing regulations;
- (7) To agree the continued exploration of the opportunity to introduce "higher value" uses into the development proposals;
- (8) To ask officers to make swift progress with the development with a view to the housing being available if possible before the time referred to in the report;
- (9) To note the contents of the not publication appendices to the report;
- (10) To thank all the officers for their work on the project so far.

DRAFT TERMS OF REFERENCE

PURPOSE

The purpose of the Barton Project Board is to lead and direct the preparation of Land at Barton for development to provide up to 1,000 homes in a sustainable community. This will involve the procurement of an investment partner and entering into a Joint Venture to deliver significant infrastructure and the ongoing strategic management of the Joint Venture.

OBJECTIVES

The objectives for the project are to:

- deliver a mixed and balanced community;
- facilitate the regeneration of neighbouring estates;
- improve accessibility and integration;
- encourage a low-carbon lifestyle;
- deliver quality design that is innovative and responsive to local circumstances;
- Achieve best consideration in any land disposal;
- Maximise the proportion of affordable housing;
- Maximise any grant or other appropriate investment;
- Maximise the outputs from the Council's relationship with the Joint Venture;
- Determine and provide the resources needed to facilitate the project.

MEMBERSHIP

- Melbourne Barrett, Executive Director, City Regeneration (Chair and Sponsor)
- Peter Sloman, Chief Executive
- Jeremy Thomas/Lindsay Cane, Legal Services
- Jackie Yates, Director of Finance & Efficiency
- Steve Sprason, Head of Corporate Assets
- Councillor Ed Turner, Deputy Leader of the Council, Finance, Corporate Assets and Strategic Planning Board Member
- Dedicated Project Manager tba
- Attendance from King Sturge and Eversheds in advisory capacity (as required)
- Others by invitation

MEETING ARRANGEMENTS

Meetings to be held in accordance with the attached timetable. The West End and Major Projects Team will provide administrative support and co-ordination of meetings under the direction of the Project Manager. On formulation of the Joint venture, meeting arrangements will be re-evaluated but are likely to be monthly at most.

RESPONSIBILITIES

The City Council manages this project on a day to day basis through an existing

Delivery Group chaired by the Head of Corporate Assets (reconstituted and renamed former Project Group) which is responsible for deliverability of the site by

- Allowing the project sponsor to maintain an oversight of all streams of work
- Ensuring effective coordination between officers , service lines and other key stakeholders
- Managing budget and programme issues and make recommendations on future resource requirements
- Assisting in preparing Member updates and briefing papers
- Facilitating the operation and delivery of the project.

The group is comprised of representatives from Corporate Assets, Legal, Finance, Housing, Town Planning, Leisure, Press office, the County Council, together with attendance from King Sturge, Eversheds and Inventa Partners as required

Steve Sprason	Corporate Assets
Jane Winfield	Corporate Assets
Paul Clark	Major Developments Project Manager
Graham Stratford	Community Housing & Community Development
Angela Cristofoli	Community Housing & Community Development
Alison Bailey	Planning
Mark Jaggard	Planning
James Pownall	Legal
Phil Jones	Leisure
Sarah Leach	Marketing and Communications Officer
Amanda Jacobs	Oxfordshire County Council
Nigel Cuning	Oxfordshire County Council
Finance Representative	(tbc)
Jane Lubbock	Head of Business Improvement

under the oversight and management of the Head of Corporate Assets. The Project Sponsor is supported by the dedicated Project Manager who will drive and co-ordinate the following workstreams:

- Procurement of Infrastructure JV partner and property transaction
- Alternative Funding Option model
- Area Action (Regeneration) Plan and related planning policy aspects
- Community Engagement
- Stakeholder Relations and Communications

Project Resourcing

A dedicated Project Manager will be sourced and charged to the project. Additional capacity will be procured to backfill for the Major Projects and Disposals Manager who will be on average dedicating 75% per cent of her time to the project.

Additional resource may be procured for financial modelling in relation to the Alternative Funding Option model workstream, tax implications etc, and any other items as determined by the Director of Finance and Efficiency.

Administrative support will be provided by the West End and Corporate Assets Major Projects Teams under the direction of the appointed Project Manager.

The Board is required to

Pre Joint venture

- Ensure that the project continues to meet the stated objectives of the City Council
- Provide an efficient decision making process leading to the timely provision of new homes
- Provide strategic steer to the work of the Delivery Group
- Assist in the drafting of, and sign off on, reports from the Project Sponsor (and the Advisory Group) to City Executive Board.
- Support the Project Sponsor, or any alternative arrangements of delegation that may be determined by the City Executive Board, in relation to requests for expenditure and ensure funds are available
- Support the Project Sponsor in providing recommendations to CEB for the acquisition or disposal of land in pursuit of the overall objectives
- Approve the evaluation criteria and interview process for the various stages of Joint Venture creation
- Review and approve the selection of shortlisted parties through the Joint Venture process.
- Agree structure of joint venture, together with supporting legal and financial documentation and subsequent Business Plans
- Agree local government comparators and make recommendations to CEB
- Agree any requirements as to further professional advice required as a result of the proposed structure of the joint venture (Tax , Financial for example) and specification of such advice
- Agree draft terms of the Joint Venture and subsequent business plans
- Recommend basis of participation of City Council representatives on the Board of the Joint Venture and any related delegated authority to City Executive Board.
- Ensuring appropriate training and/or insurance requirements for officers or members serving on the Board of the JV are in place

Post creation of Joint Venture

- Provide an interface between the Joint venture and the Council.
- Approve decisions made by the Joint Venture where appropriate
- Ensure that the Joint Venture is acting within the agreed terms of the business plan
- Agree the need for additional professional advice and specification of such advice
- Agree how any financial surpluses or external funding can be applied to the project and support any recommendations made to CEB on this issue
- Agree and support the ability of the Council to draw down sites for the provision of self build council housing and support any decision making process in this regard.
- Receive reports from Council's representatives and instruct where appropriate
- Approve any Reserved Matters and advise Council's representatives

List of Stage 1 Bidders

	Bidders Name
1	AIM Housing
2	Berkeley Homes
3	Bloombridge, Development Securities, Grey Rock
4	British Land Company plc
5	Camland developments
6	Endurance Estates Strategic Land
7	Generator, Essential Land, Frogmore
8	Grainger plc
9	Grosvenor Development Ltd
10	Hallam Land Management & Green Square
11	Mace, Agfe & Bellway
12	Mactaggat & Mickel (Homes) Ltd, c/o Colliers International
13	Miller & Keepmoat
14	Morgan Sindall Investments
15	Redrow
16	Savills, Land Improvement, A2 Dominion
17	Skanska
18	St Modwen
19	Taylor Wimpey
20	Wellbeck Land Limited

Stage 2 Evaluation Criteria

Bidders are required to submit information as provided for in section 3 of the Stage 2 Tender document. The responses should comprise of 3 sections:

1. Marked up heads of terms with attached commentary of structural issues
2. Funding proposal and
3. Implementation Plan

Bidders responses will be evaluated against the criteria in the table at section 4.2 of the Stage 2 Tender document. In marking the tender submissions the Markers will assign a mark out of 10 to each sub criteria according to the scoring methodology set out in section 4.3 which will then be appropriately weighted as set out below:

Weighting	Criteria	Sub Criteria	Relevant questions from Stage 2 Tender	Sub-criteria weighting
33.3%	Structure of Joint Venture and Heads of Terms	Legal and Operational Principles	1	8.3%
		Servicing the Joint Venture	1, 8	8.3%
		Flexibility of the Joint Venture	1	8.3%
		Council Legislative/Regulatory Issues	1	8.3%
33.3%	Funding proposal	Cost of funding	2-5	4.8%
		Profit share arrangements	2-5	4.8%
		Land consideration and sharing in land value	2-5	4.8%
		Fees	2-5	4.8%
		Security of funding	2-5	4.8%
		Caveats	2-5	4.8%
		Grant funding	2-5	4.8%
33.3%	Implementation Plan including Delivery Strategy	Meeting the regeneration objectives	12	2.8%
		Joint Venture risk register and analysis	7	2.8%
		Infrastructure strategy	18	2.8%
		Housing strategy	11, 14, 15, 16, 17	2.8%
		Complementary/ high value use strategy	19, 20	2.8%
		Project programme	6, 10, 13	2.8%
		Community engagement strategy	21	2.8%
		Approach to dealing with technical aspects of the site	22, 23, 24, 25	2.8%
		Sustainability strategy	26, 27, 28	2.8%
		Procurement strategy	9	2.8%
		Long term management strategy	No specific question	2.8%
		Exit strategy	29	2.8%
100%				100%

Land at Barton

Risk ID	Risk						Corp Objec- tives	Gross Risk		Residual Risk		Current Risk		Owner	Date Risk Reviewed	Proximity Risk (Project Contract Only)
Category 000 – Service Area Code	Risk Title	Oppor- tunity Threat	Risk Description	Risk Cause	Consequences	Date Raised	1 to 6	I	P	I	P	I	P			
CEB-001-CA	Lack of approval.	T	Failure to secure approval to the selection of the recommended preferred bidder.	Members do not feel that the proposed terms and conditions of the transaction are acceptable either in terms of delivery of the Council's objectives and/or financial return.	The Council would need to consider repackaging the proposal and/or proceeding utilising an alternative delivery vehicle.	27/10/2010	1	4	3	4	2			S Sprason		
CEB-002-CA	Preferred bidder withdraws/ does not proceed.	T	Failure to conclude transaction with preferred bidder and to establish the joint venture vehicle.	Preferred bidder decides not to proceed as a consequence of market downturn/increases in interest rates etc which impacts adversely on scheme viability and deliverability.	The Council would need to consider moving to the under bidder and pursuing negotiations in that respect. It is likely that the under bidder would be cognisant of the same deterioration in market conditions and may also determine not to proceed leading to delay.	27/10/2010	1	4	3	4	2			S Sprason		

Risk ID	Risk						Corp Objectives	Gross Risk		Residual Risk		Current Risk		Owner	Date Risk Reviewed	Proximity Risk (Project Contract Only)
Category 000 – Service Area Code	Risk Title	Opportunity Threat	Risk Description	Risk Cause	Consequences	Date Raised	1 to 6	I	P	I	P	I	P			
CEB-003-CA	Preferred bidder withdraws/ does not proceed.	T	Failure to conclude transaction with preferred bidder and to establish the joint venture vehicle.	Inability to agree formal legal documentation required to set up the Joint Venture with the preferred bidder.	The Council may be faced with the need to consider whether it should compromise its position and/or withdrawing from negotiations and pursuing with the preferred under bidder. There would be undoubted delay in implementation with a potential impact on scheme viability. Ultimately there may be a need to consider repackaging and retender.		1	4	3	4	2			S Sprason		
CEB-004-CA	Procurement process.	T	A challenge to the procurement process is received.	There is external challenge to the entering into of the joint venture on the basis that it has not been through a formal OJEU process.	The Council has received robust legal advice and followed due process and is confident that any challenge would be unsuccessful. Council will consider utilising appropriate mitigation measures and any consequential delay should therefore be removed.		1	4	2	3	2			S Sprason		

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