

Southend-on-Sea Borough Council

Agenda
Item No.

7

Report of
Corporate Director for Corporate Services
to
Cabinet

on
11th November 2014

Report prepared by:
Alan Richards – Group Manager Asset Management

Airport Business Park
Policy and Resources Scrutiny Committee
Executive Councillor: Councillor R Woodley
Part 1 Public Agenda Item

1. Purpose of Report

- 1.1 To provide an update on the procurement of a development partner for the proposed Airport Business Park on land north of Aviation Way.

2. Recommendations

- 2.1 To note the significant progress which has been made on this exciting project.
- 2.2 To note that Henry Boot Development Limited has been appointed as the preferred development partner subject to formal standstill arrangements and contract award and that once the stand still period has expired, the contract documents (including the development agreement) will be progressed and completed and that this process be endorsed.

3. Background

- 3.1 On the 7th January 2014 the Cabinet approved the strategy to progress the development of the Airport Business Park (**ABP**) and among other things, delegated authority to the Chief Executive, in consultation with the Leader, to select the preferred development partner following the outcome of the OJEU procurement process (minute 640 of Cabinet refers, this minute being noted at Policy & Resources Scrutiny Committee on the 30th January 2014 in minute 728).

3.2 The following further Council decisions have been made to deliver the ABP:

- (i) On the 18th March 2014 the Cabinet approved the Annual Procurement Plan for 2014/15 and this included reference to the ABP project (minute 857 refers). Council then noted this decision on 17th April 2014; and
- (ii) On 1st July 2014 the Cabinet agreed a revised Capital Programme, which included £11.294m for the ABP (minute 64 refers). The revised Capital Programme was then confirmed at Council on 17th July 2014.

3.3 The Council has continued to work with Rochford District Council to finalise the London Southend Airport and Environs Joint Area Action Plan (JAAP) to set the planning policy for the area around London Southend Airport, including the ABP. The JAAP has been through examination in public and the inspector's report is expected on 28 November 2014. Thereafter the Joint Committee will meet and it is envisaged that the JAAP will be adopted as planning policy by the two Councils in December 2014. The adoption of the JAAP will enable development of the ABP to proceed, once the development partner is under contract and planning permission is obtained.

3.4 Following the decisions referred to in 3.1 above, the procurement process to select the preferred development partner has been conducted through the use of the competitive dialogue procedure commencing with the submission of the contract notice in the Official Journal of the European Union (OJEU) on 16 May 2014. The development partner will bring skills, experience and development finance to work alongside the Council's land and capital investment to deliver a long term sustainable ABP. DTZ, the Council's development consultants, have supported the Council in the procurement process, including being part of the Evaluation Team and providing advice on viability issues.

The procurement process has been concluded and final bids submitted and evaluated. Following analysis of the bids received, a detailed evaluation and a moderation of the scores, the Council's Evaluation Team and the Project Board both recommended that **Henry Boot Developments Limited** be appointed as the preferred bidder for the award of the contract.

On the 6th November 2014 the Chief Executive, in consultation with the Leader, authorised the issue of the stand still letter to the successful and unsuccessful bidders and formal notification to Henry Boot Developments Limited that it had been selected as the preferred bidder pursuant to minute 640 of Cabinet on 7 January 2014. These steps have been taken.

Once the stand still period has expired, the contract documents (including the development agreement) will be progressed and completed. It is hoped that completion can be effected early in 2015.

4. Other Options

This report is primarily for information.

5. Reasons for Recommendations

To enable the ABP project to progress.

6. Corporate Implications

The detailed corporate implications were set out in the report to Cabinet on 7TH January 2014 as referred to in section 3.1 above; hence the details set out below are in a short form.

6.1 Contribution to Council's Vision & Corporate Priorities

Clean, Healthy and Prosperous

6.2 Financial Implications

See section 3.2 above.

6.3 Legal Implications

The procurement process has been conducted in accordance with the competitive dialogue procurement procedure as set out in the Public Contracts Regulations 2006 as amended.

6.4 People Implications

A significant amount of senior staff time has been involved in progressing this important project.

6.5 Property Implications

The Council is the owner of the land involved and the ABP development will have significant property implications which will be dealt with on an on-going basis.

6.6 Consultation

Members have been briefed on the ABP proposals and discussions have been held with Rochford District Council and other interested parties.

There has been wide consultation on the JAAP and planning applications will be subject to public consultation in the usual way.

6.7 Equalities and Diversity Implications

These will be assessed as part of the ABP development.

6.8 Risk Assessment

Procurement risk has been mitigated through the detailed process which has been followed to reach the preferred bidder stage.

Development risks will be addressed through the development agreement and the long-term partnership with the preferred bidder.

6.9 Value for Money

Before any capital contribution is made, the Council will need to be assured that the investment is necessary, wise, prudent and necessary to optimise the development opportunity and also that a plan is in place to repay the borrowing either with capital, or revenue generation. These matters have been covered during the procurement process and will be set out in the development agreement with appropriate project governance.

6.10 Community Safety Implications

These will be dealt with through the planning process

6.11 Environmental Impact

The environmental impact of the development will be carefully managed through the planning process.

7. **Background Papers**

None

8. **Appendices**

None