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Award

Temple Island Development, Bristol

Bristol City Council

F15: Voluntary ex ante transparency notice

Notice identifier: 2022/S 000-012254

Procurement identifier (OCID): ocds-h6vhtk-03367b

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Section I: Contracting authority/entity

I.1) Name and addresses

Bristol City Council

City Hall, College Green

Bristol

BS1 9NE

Contact

Eric Andrews, Team Leader Commercial and Governance Team Legal Services (City Hall)

Email

eric.andrews@bristol.gov.uk

Telephone

+44 1179223904

Country

United Kingdom

NUTS code

UKK11 - Bristol, City of

Internet address(es)

Main address

<https://www.bristol.gov.uk/>

Buyer's address

<https://www.bristol.gov.uk/>

I.4) Type of the contracting authority

Regional or local authority

I.5) Main activity

General public services

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Temple Island Development, Bristol

Reference number

DN574872

II.1.2) Main CPV code

- 45210000 - Building construction work

II.1.3) Type of contract

Works

II.1.4) Short description

Phased development of site at Temple Island, Bristol by Legal & General Bristol Temple Island Limited

II.1.6) Information about lots

This contract is divided into lots: No

II.1.7) Total value of the procurement (excluding VAT)

Value excluding VAT: £1,200,000

II.2) Description

II.2.2) Additional CPV code(s)

- 45210000 - Building construction work

II.2.3) Place of performance

NUTS codes

- UKK11 - Bristol, City of

Main site or place of performance

Bristol, United Kingdom

II.2.4) Description of the procurement

Redevelopment of the Temple Island site, Bristol by Legal & General Bristol Temple Island Limited

The Council owns the freehold of the property at Temple Island, Bath Road, Temple Quarter, Bristol (the Site) and intends to grant to the Developer long leases of the Site on the terms more particularly contained in the final form legal agreements. The Council intends to enter into a conditional agreement with the Developer, under which it would, if all the conditions were satisfied, and at the Developer's option, grant a 250 year lease of part of the Site (extendable subject to conditions) to the Developer at a peppercorn rent, and in return for a premium. This part of the Site consists of Phase 1 of the proposed development ("the Phase 1 Land"). The conditions would have to be satisfied within 4 years, failing which either party would have the right to terminate the agreement. The principal conditions relate to:

(1) The grant of outline planning permission for the development set out in a masterplan, and of detailed permission and any other necessary consents (as well as the release of certain covenants) for all the Phase 1 plots, including a building comprising Grade A office design with a 100,000 square foot target net internal area ("Office 1");

(2) The securing of funding and agreement of a timetable for certain enabling works and the carrying out of such works to the extent necessary for Phase 1 of the development to be delivered;

(3) Entry by the Developer into an agreed form of building contract for Office 1,

The Council also intends to enter into a further agreement with the Developer for a sub-lease of Office 1, conditional primarily on the completion of works to construct this building. If the lease is granted, the Council will pay rent for the first 40 years of the sub-lease, after that 40 year period, the Council will be entitled, in return for a nominal payment, to take a surrender of the Developer's lease of the site of Office 1.

Enabling Works - The Council agrees to carry out certain remediation and enabling works as are necessary for development of Temple Island (whether by the Developer or any other developer), expenditure will be limited to £32 million and subject to receiving that funding, as a CP to completion –

o Plot 12 Access Road Improvements – such works as are necessary to ensure the road is

constructed to an adoptable standard where possible (and not prevented by topography or otherwise), for use as an emergency access to the site and for access by Network Rail to the adjacent railway

o Remediation Works – such works as are necessary to remediate the site to an acceptable standard for a commercial and residential redevelopment scheme of a similar type as the proposed development (as approved by the Contaminated Land Officer and the Environment Agency), including removal of existing St Philips foot bridge related temporary concrete pads

o River Walls Works – such works as are recommended by a condition survey to be carried out, to put the river walls (man-made structures, not bank or naturally occurring features) into good and substantial repair and condition

o Structural Fill Works – works to lay structural fill where required across the site to raise up the ground level to an agreed site datum level to enable a commercial and residential redevelopment scheme of a similar type as the proposed development

o Utilities Works – such works as are necessary to install all usual services (water, drainage, electricity, gas, and telecommunications) to meet the expected demands of a commercial and residential redevelopment scheme of a similar type to the proposed development, ready for connection in by the individual plots.

Affordable Housing:

- Under the planning condition, the Council is entitled to object to any planning condition which doesn't meet the local planning authority's minimum policy requirements for affordable housing or which doesn't provide for a policy compliant mix of affordable housing between the two phases of the development, and the Developer is entitled to object to any requirement which exceeds 40% affordable housing or which imposes a mix of affordable housing that materially adversely affects the viability of the scheme.

- There is a shared ownership tenure condition, which acknowledges that the UK Government is proposing to introduce legislation to require all shared ownership leases to be granted for a minimum 990 years term. The agreement for lease only provides for the grant of 250 year headleases to the Developer so it would be unable to then grant shared ownership leases of the proposed new minimum which it considers would prevent it complying with any shared ownership provision if required by planning and which it wants/needs to include as part of its affordable housing provision as it is that element which allows the development to be viable notwithstanding the affordable housing requirement. The parties agree that if 12 months from the date of the agreement: (i) this legislation has been enacted or (ii) market practice has changed to take account of these proposed legislative changes the parties will agree necessary changes to the structure of the transaction, subject to the Council obtaining all requisite Cabinet and other approvals.

The lease of the Phase 1 Land to the Developer will preclude use of the Land for any purpose other than that proposed by the application for outline planning permission, the Developer will be entitled to propose changes, to which the Council cannot unreasonably withhold its consent save that the office development may not be used for residential for the initial 15 years and no building may be used for student accommodation for the initial 15 years.

It will be at the outset, and will always remain, the Developer's choice, in legal terms, as to whether to embark upon or to complete any such works in respect of Phase 1. The Developer is not obliged to carry out any part of the Phase 1 development.

The Council also intends to grant the Developer the right to draw down an approximately 250 year lease of the other plots comprising the proposed development Site, i.e. "the Phase 2 Land" when the Phase 1 lease is granted . At that point in time the Council would have carried out the requisite enabling works for Phase 2 (which will be carried out as part of the Phase 1 enabling works) and outline planning permission would have been secured for Phase 2 (as part of the application for Phase 1). Upon the Council giving 6 months' notice of its desire to dispose of its interest in the Phase 2 Land, the Developer will be entitled, for a 5 year period commencing from the grant of the Phase 1 lease, to call for the lease of the Phase 2 land which would be on terms mirroring the Phase 1 lease. There would be no contractual obligation upon the Developer to carry out any works on the Phase 2 Land. There will also be a prohibition on use of the Phase 2 Land otherwise than in accordance with the planning permission.

II.2.11) Information about options

Options: No

II.2.13) Information about European Union Funds

The procurement is related to a project and/or programme financed by European Union funds: No

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Award of a contract without prior publication of a call for competition in the cases listed below

- The procurement falls outside the scope of application of the regulations

Explanation:

The detailed description of the arrangements is set out in section II.2.4 of this Notice. The arrangements fall outside the Public Contracts Regulations 2015 (PCR) by reason of the fact that it will be at the outset, and will always remain, the Developer's choice, in legal terms, as to whether to embark upon or to complete any works in respect of Phase 1 and/or Phase 2. There are no positive works obligations on the Developer and the arrangements do not fall within the definition of a relevant contract under the PCR. Further, the structure of the arrangements do not have, as their object, the intention of avoiding the application of the PCR.

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: No

Section V. Award of contract/concession

A contract/lot is awarded: Yes

V.2) Award of contract/concession

V.2.1) Date of conclusion of the contract

10 May 2022

V.2.2) Information about tenders

The contract has been awarded to a group of economic operators: No

V.2.3) Name and address of the contractor/concessionaire

LEGAL & GENERAL BRISTOL TEMPLE ISLAND LIMITED

One Coleman Street

LONDON

EC2R 5AA

Country

United Kingdom

NUTS code

- UKI - London

The contractor/concessionaire is an SME

No

V.2.4) Information on value of contract/lot/concession (excluding VAT)

Total value of the contract/lot/concession: £1,200,000

Section VI. Complementary information

VI.4) Procedures for review

VI.4.1) Review body

High Court of England & Wales

The Strand

London

WC2A 2LL

Country

United Kingdom