

RECORD OF EXECUTIVE DECISION TAKEN BY AN EXECUTIVE MEMBER OR OFFICER

This form can be used for any decision but **MUST** be used to record:

- any decision taken by the Elected Mayor or an individual Councillor
- a key decision taken by a Council Officer

In these circumstances the form must be completed and passed to the Head of Members' Services no later than NOON on the second working day after the day on which the decision is taken. No action may be taken to implement the decision(s) recorded on this form until 7 days have passed and the Head of Members' Services has confirmed the decision has not been called in.

1. Description of decision

To:

- (a) Approve the release of land in the Council's ownership for potential disposal and/or development, as identified in Appendix A;
- (b) Approve the proposed arrangements for selecting a preferred developer and, if satisfied, to appoint the Mayor and Group Leaders (or their representative) to a Selection Jury on 15 March 2011 to receive formal presentations, with a view to determining the appointment of a preferred development partner;
- (c) Reaffirm the paramount requirement for high quality design and for high standards of materials/finishes in respect of development of key sites in the town centre;
- (d) Note that any recommendation to approve a development scheme below "best consideration" must satisfy the criteria specified in the Local Government Act 1972 General Disposal Consent (England) 2003 and, in particular, clear reasons should evidence any contribution that the disposal or development of land is deemed to make to the promotion or improvement of economic, social or environmental well-being; and
- (e) Approve the procurement of specialist property and legal advice, at the appropriate time, to assist the evaluation of alternative proposals (including the preparation of independent valuations of the land) and to undertake the preparation of contractual agreements and deal structuring, at an estimated cost of £50,000, to be funded from the general contingency.

2. Date of decision

28th February 2011

3. Reasons for decision

To bring forward for development the Riverside North site.

4. Alternatives considered and rejected

The alternative is to leave the site as it stands. This is rejected on the basis of the potential to deliver a major improvement to the town centre and riverside area and its potential to deliver net revenue and capital receipts.

5. How decision is to be funded

The costs associated with the appointment of a preferred developer, anticipated to be in the region of £50,000, will be met from the general contingency.

6. Conflicts of interest

Name of all Executive members who were consulted AND declared a conflict of interest.	Nature of interest	Did Standards Committee give a dispensation for that conflict of interest? (if yes give details and date of dispensation)

The Mayor has been consulted on this decision

Not applicable

Signed Dan Hodgson Date 28th February 2011

Name of Decision Taker MAYOR DAN HODGSON

This is a public document. A copy of it must be given to the Head of Members' Services as soon as it is completed.

Date decision published: 2nd March 2011

Date decision can be implemented if not called in: 10th March 2011

Bedford Borough Council – Report to Mayor

February 2011

Report by Head of Economic Development

Subject: BEDFORD RIVERSIDE NORTH

1. Executive Summary

This report proposes an approach to developer engagement and scheme selection process to bring forward the redevelopment of the Bedford Riverside North area (Riverside Square and the Town Hall office area) in the light of the opportunity to increase the area for redevelopment through the vacation of the Town Hall office complex and Riverside House.

2. Recommendations

The Mayor is invited to consider and, if satisfied, to:

- (a) Approve the release of land in the Council's ownership for potential disposal and/or development, as identified in Appendix A;
- (b) Approve the proposed arrangements for selecting a preferred developer and, if satisfied, to appoint the Mayor and Group Leaders (or their representative) to a Selection Jury on 15 March 2011 to receive formal presentations, with a view to determining the appointment of a preferred development partner;
- (c) Reaffirm the paramount requirement for high quality design and for high standards of materials/finishes in respect of development of key sites in the town centre;
- (d) Note that any recommendation to approve a development scheme below "best consideration" must satisfy the criteria specified in the Local Government Act 1972 General Disposal Consent (England) 2003 and, in particular, clear reasons should evidence any contribution that the disposal or development of land is deemed to make to the promotion or improvement of economic, social or environmental well-being; and
- (e) Approve the procurement of specialist property and legal advice, at the appropriate time, to assist the evaluation of alternative proposals (including the preparation of independent valuations of the land) and to undertake the preparation of contractual agreements and deal structuring, at an estimated cost of £50,000, to be funded from the general contingency.

3. Reason for Recommendations

To bring forward for development the Riverside North site given its high profile location, the vacation of the Town Hall office buildings, its potential to deliver a major improvement to the town centre and riverside for the people of Bedford Borough and its potential to deliver net revenue and capital receipts to keep Council Tax low and support other priority projects in the Borough.

4. Key Implications

4.1 Legal

The Council's powers for economic development derive from Section 2 of the Local Government Act 2000 which enables the Council to do anything it considers it will achieve the promotion or improvement of the economic wellbeing of the Borough. This wellbeing power may be exercised in relation to or for the benefit of:

- the whole or any part of the Borough, or
- all or any persons resident or present in the Borough.

The wellbeing power includes power for the Council to:

- Incur expenditure;
- Give financial assistance to any person;
- Enter into arrangements or agreements with any person;
- Co-operate with, or facilitate or co-ordinate the activities of, any person;
- Exercise on behalf of any person any functions of that person, and
- Provide staff, goods, services or accommodation to any person.

There are two necessary steps for the Council to take in order to use the wellbeing powers. The first is that in determining whether or how to exercise the wellbeing powers the Council must have regard to its Sustainable Communities Strategy and the relevant part of this is referred to under the policy implications section of the report. The other is that in considering the use of the wellbeing powers the decision maker must also have regard to the Secretary of State's guidance and this is also referred to in the policy implications section of the report.

The Council has a statutory duty under Section 123 of the 1972 Local Government Act to obtain best consideration from property disposals, unless it has the consent of the Secretary of State to sell for a lesser amount. The Secretary of State issued the "General Disposal Consent (England) 2003", which enables Councils to dispose at less than best consideration provided they meet two criteria. Whilst this report does not deal with the terms of disposal of Council land at this stage, the Statutory Guidance is outlined in the following paragraphs.

The first criterion is that the Council must consider that the purpose for which the land is to be disposed of meets the requirements of Section 2 of the Local Government Act 2000, as detailed above and set out in the Policy section of this report.

The second criterion is that the difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2m (two million pounds).

Paragraph 17 of the General Disposal Consent (England) 2003 states that: "Before disposing of any interest in land for a price which may be less than the best consideration reasonably obtainable, local authorities are strongly advised in all cases to ensure that they obtain a realistic valuation of that interest, following the advice provided in the Technical Appendix [to the Statutory Guidance]. This applies even for disposals by means of formal tender, sealed bids or auction, and irrespective of whether the authority considers it necessary to make an application to seek the Secretary of State's specific consent.

By following this advice, an authority will be able to demonstrate that it has adopted a consistent approach to decisions about land disposals by carrying out the same step-by-step valuation process on each occasion. Supporting documents will provide evidence, should the need arise, that an authority has acted reasonably and with due regard to its fiduciary duty." Recourse to an independent assessment of best consideration is recommended in this report.

Whilst the Secretary of State has given a General Consent for a sale at less than best consideration, subject to the two criteria set out above, the Council's fiduciary duty to have regard to its local taxpayers' interests remains if it sells any land for less than full value. In so far as possible the Council should, therefore, seek to minimise any deficit below best consideration. The Council should comply with the Secretary of State's Statutory Guidance and, as part of this, have a step-by-step valuation process of the best consideration value as opposed to the actual sale price. Any difference between best consideration and sale price would, in effect, amount to a public subsidy towards a private scheme. The Council should, therefore, seek to balance the public value to be achieved by means of the promotion or improvement of the well-being with the loss of consideration caused by the sale at the undervalue of the amount concerned.

In this context, it is noted that the development agreement with the selected company will be a complex and important document. Sound legal advice in this respect will be critical. Sound property advice will be similarly important in respect of the revenue and capital receipt proposals given that the Council, by law, subject to the disposal consent, must achieve 'best consideration'.

4.2 Policy

As mentioned in the legal implications the decision maker must have regard to the Council's Sustainable Communities Strategy and the Secretary of State's statutory guidance in exercising the wellbeing powers and both these documents may be viewed on the following links on the internet.

Secretary of State's Guidance:

<http://www.communities.gov.uk/documents/localgovernment/pdf/155514.pdf>

Community Plan for the Borough of Bedford:

<http://www.bedfordboroughpartnership.org.uk>

The Government's purpose in introducing the well-being power is to reverse a traditionally cautious approach, and to encourage innovation and closer joint working between local authorities and their partners to improve communities' quality of life. The power is wide-ranging, and enables local authorities to improve the quality of life, opportunity, and health of their local communities. What is proposed within this report is not contrary in any way to the Guidance and seeks to promote and improve the well-being of the Borough's residents, contributing to the delivery of the Sustainable Community Strategy.

The first theme of the Sustainable Communities Strategy is about a "Thriving Borough" and concerns "economic development, regeneration and enterprise". It states that "our goal" is "a stronger local economy, delivering higher levels of sustainable growth and employment for the benefit of the Borough's existing and future residents." Supporting this goal, Aim 2 in particular seeks to "create a highly attractive, safe and successful town centre providing a distinctive and excellent range of facilities which can be used and enjoyed by all". Aim 6 is also relevant in seeking to "improve the general business environment (the supply and quality of infrastructure, premises and services in order to foster enterprise, encourage investment and sustain economic growth". The redevelopment of Bedford Riverside North fully supports delivery of these aims by improving the town centre and its distinctiveness and by providing economic growth.

The Council's approved Asset Management Plan requires that, in line with Government guidance, all assets not required to meet the Council's service/function priorities or statutory needs will be disposed of for best consideration.

4.3 Resource

It is envisaged that the redevelopment of the area will be financed by private sector investment. The Council is the sole landowner and the opportunity, therefore, exists to derive a combination of revenue and capital returns. The eventual scheme design and mix of uses will influence the value that can be achieved from the development and, therefore, the eventual consideration that would be payable to the Council.

The Council has to achieve 'best consideration' in respect of its land transactions (see 4.1 above) and this is ordinarily achieved by putting the site to the market in order to seek the most cost beneficial proposal. "Best consideration" can be achieved by a capital return for the Council's landholdings or revenue returns from the development. For this disposal the Council has sought competitive bids from the developers that responded to its invitation for Expressions of Interest.

Until best consideration has been determined and what (if any) economic, social or environmental wellbeing adjustments are appropriate, it is not possible to determine the overall resource implications for the Council. It is considered that the minimum requirement of the Council is that the scheme should be commercially viable and financially sustainable with no ongoing revenue impact on Council taxpayers.

There is potential for the loss of car park revenue during the development period and following scheme implementation from displaced parkers, although relocation to other sites in the town centre is likely to occur. The Council receives a significant net annual income of nearly £300,000 from car parking charges on this site. It is noted that the brief to developers invited to tender asks for retention of some surface car parking and also seeks a revenue stream to cover that which might be lost from existing uses.

There is no earmarked funding for the development itself (as it is assumed that this will be entirely developer funded) and it is also assumed that any scheme will be at least revenue neutral in respect of the ongoing impact on Council Taxpayers.

The Council will, however, need specialist property advice on the financial proposals of the submitted tenders in relation to the Council's need to achieve 'best consideration'. It is estimated that this could cost in the order of £15,000. There will also be external specialist legal advice costs associated with the preparation and completion of all agreements, including the Development Agreement and the lease(s) of the whole site. It is estimated that this could be up to around £35,000. The costs of specialist property and legal advice will be met from the Council's general contingency.

4.4 Risk

All commercially based developments involve risk and, at each stage of the process, the commitments made will be at risk as there can be no guarantee that a fully successful development will be achieved. Officers will strive to ensure that the terms of any eventual development agreement between the Council as landowner and the preferred developer mitigate the inherent risks. Moreover, the timing of the exercise can be a critical factor in achieving optimum success, particularly in terms of market conditions, the state of the national economy and levels of investment confidence within the development industry.

The redevelopment of Riverside Square North will displace a number of existing services/activities, including general car parking provision, market trader parking and the provision of public conveniences. The overall impact will need to be assessed and allowed for as part of the emerging development proposals.

4.5 Environmental

The Riverside Square North area has been identified as a key development site as part of emerging proposals for the re-development and revitalisation of Bedford town centre. The opportunities offered by the Council's land ownership have the potential to further stimulate economic regeneration and enhance the overall environment of the river and the town centre and also significantly improve the access to and use of it. A quality scheme should, therefore, both promote and improve the economic well being of the area and deliver high quality of detail and overall visual impression.

The value of the improvements from the development, including the benefit to the visitors to the site, should also both promote and improve social and environment well being in this important town centre area.

The Sustainable Community Strategy goal for 'A Greener Borough' is supporting a high quality natural and built environment which is valued and enjoyed by all; which encourages biodiversity and supports the development of a low carbon community, including local businesses, capable of adapting to the impacts of climate change. In this context, it is noted that the Invitation to Tender document expects that 'significant environmental standards and features will be delivered' by the development.

4.6 Equalities Impact

A full Equality Impact Assessment will be carried out as the development proposals emerge.

Equalities impacts specific to this project include:

- a) The potential loss of surface car parking and its impact on users, perhaps elderly and disabled users in particular, who prefer to use surface car parking; and
- b) The potential loss of public conveniences and its impact on a variety of users.

In both cases, alternative provision reflecting existing facilities and the potential for facilities within the new development will need to be carefully considered.

5. Details

Background

- 5.1 Riverside Square is identified as an opportunity site within the approved Local Plan and as a key development site as part of the emerging proposals for the redevelopment and revitalisation of Bedford town centre. It represents a critical element of the adopted Area Action Plan for the town centre.
- 5.2 Executive Decision 735, dated 18 November 2009, agreed to serve notice to terminate the development agreement with the previously selected developer for Riverside Square, MCD (Bedford) Ltd.
- 5.3 In the light of the termination of the development agreement and the Council's recent progress on vacating the Town Hall office buildings, the site boundary for redevelopment proposals has been revised to also incorporate the Town Hall buildings, car park and Riverside House - see **Appendix A**. It is envisaged that the redevelopment of Riverside North area will be financed by private sector investment (providing the scheme is commercially viable) and be at least cost-neutral in revenue terms.
- 5.4 The potential redevelopment of Riverside North was well supported at the November 2010 town centre exhibition with a wide variety of uses supported including cafes/restaurants, public space, river related leisure, performance/conferencing facility, library, offices, hotel and residential.

Expressions of Interest

- 5.5 The Council's request for expressions of interest from prospective experienced developers was logged in the leading public sector procurement e-tendering system on December 22nd, 2010. Seven developers responded positively and five have been invited to submit more detailed proposals, based on the attached ITT documentation. – see **Appendix A**).

Next Steps

- 5.6 It is appropriate therefore to consider the process for deciding on, and establishing a development agreement with, a new development partner from amongst the submitted tenders, and to support this process with appropriate specialist property and legal advice.
- 5.7 The following process is suggested to complete the selection of a new development partner for Bedford Riverside North:

On receipt of the tenders –

- The submissions and in particular their financial aspects are provided to the appointed specialist property adviser for advice on this in support of achieving 'best consideration' in developer selection;

- The submissions and in particular any comments on the Draft Heads of Terms are passed to the appointed specialist legal adviser for advice on this in support of developer selection;
- Those tendering are invited to present to a Selection Jury on 15 March 2011 comprising the Mayor and Group Leaders (or their representative) to receive formal presentations, with a view to determining the appointment of a preferred development partner;
- The Mayor is requested to consider and approve preferred and reserve development partners by way of a formal Mayoral decision, drawing on the advice of the Selection Jury;
- The subsequent detailing of the scheme is considered and informed by consultation and the Town Centre Working Group; and
- The final scheme and its financial proposals are considered at a meeting of the Executive.

5.8 Any resulting submission of a detailed planning application would be subject to the usual tests against adopted Council planning policy and guidance and other relevant material planning considerations. Any such application would fall to be determined independently and objectively by the Council's Planning Committee having regard to the policy/guidance framework and all representations received.

Shortlisting Criteria

5.9 There will be a need to determine evaluation criteria for the shortlisted developers in order to ensure a transparent selection process. This would need to recognise both financial and quality thresholds and, bearing in mind the significance of the location to the town centre, it is considered that these two factors should rank equally in importance. A scoring proforma could be used based upon the following evaluation:

- Minimum Compliant Threshold (as a pre-requisite to progressing to further detailed evaluation):

Adequate financial standing/viability; and
Adequate technical references/scheme deliverability.

- Financial Considerations (50% weighting):

Financial return as demonstrated by the submissions (with the minimum threshold that the scheme is commercially viable and financially sustainable with no ongoing revenue impact on Council taxpayers); and

Financial status of the Company and past track record of funding large projects.

o Quality Considerations (50% weighting):

The experience of delivering quality schemes, particularly within a historic market town context (and of dealing with schemes adjacent to listed buildings and a conservation area) including the relevant experience demonstrated by the development proposals submitted and technical references obtained;

Views on the size, scale and quality of development (including the mix of uses) proposed;

The commitment to Bedford demonstrated by the shortlisted parties and understanding of the wider issues (including links with the river and quality of public realm);

Issues of sustainability and inclusion; and

Other quality factors (including the understanding of the long term and wider objectives of the Council and, in particular, the means of enhancing the viability and vitality of the town centre) and improvements to the public realm.

Specialist Property Advice

- 5.10 A specialist property adviser is to be appointed to advise on the tender submissions in support of achieving 'best consideration' in developer selection. The financial proposals relevant to the Council's landholdings would need to be carefully considered by comparison to the proposals emanating from responses to the ITT and it is recommended that a professional independent valuation should be obtained in this case to provide an appropriate benchmark against which bids can be considered.

Specialist Legal Advice

- 5.11 A specialist legal adviser is to be appointed to advise the Council on the Heads of Terms and subsequent preparation and completion of all agreements including the eventual Development Agreement and the lease of the site.

6. Summary of Consultations and Outcome

The following Council Units or Officers and/or other organisations have been consulted in preparing this report:

- Management Group
- Procurement
- Property Services
- Planning
- Relevant Unit Managers

No adverse comments have been received.

Report Contact Officer(s): Philip Simpkins, Chief Executive
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File Reference:

Previous Relevant Minutes: Executive Decision 735: 18 November 2009
Minute 155, Executive:9 March 2005
Executive Decision Number 174: 9 September 2004
Minute 17, Executive: 14 July 2004
Executive Decision 96: 23 January 2004
Executive Decision 125: 18 March 2004

Background Papers: None

Appendices: A – Invitation to Tender Documentation
B – Expressions of Interest Documentation



BEDFORD BOROUGH COUNCIL

COMMERCIAL IN CONFIDENCE

**Proposed
Redevelopment of
Bedford Riverside North**

**INVITATION TO TENDER
CORE DOCUMENT**

PROPOSED REDEVELOPMENT OF BEDFORD RIVERSIDE NORTH

INVITATION TO TENDER

CORE DOCUMENT

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1 INTRODUCTION

- 1.1 Bedford Riverside North is a key development site (amongst others) for the redevelopment and revitalisation of Bedford Town Centre. The site is wholly owned by Bedford Borough Council and is currently in use largely as Council office space and a public car park. Part of it was identified as a Key Area of Change in the approved Town Centre Area Action Plan, part of Bedford's Local Development Framework.
- 1.2 The land is now surplus to the Council's requirements and thus available for redevelopment. The site is approximately 1.3 hectares in area and is situated in a prime, prominent position on the north bank of the River Great Ouse in the centre of Bedford. The site presents an important opportunity to deliver a mixed use development potentially including offices, residential, hotel, leisure (including river related) and retail uses (including cafes and restaurants) all exploiting the site's favourable 'south facing' riverside location.
- 1.3 A previous proposal for the Riverside Square (public car park) part of the site focused on residential and café/restaurant uses in a classical style. However a recent town centre exhibition (November 2010) suggests a less constrained approach and a wider variety of uses would be appropriate on this larger site.
- 1.4 Ultimately, a proposed scheme will be subject to planning approval and therefore the usual tests against adopted Council planning policy and guidance and other relevant material planning considerations.
- 1.5 As indicated in the briefing note issued at the Expressions of Interest stage, the Council is looking to identify a development partner to work with in order to maximise the development potential of the site and support wider key aims of the Council.
- 1.6 The Council is therefore now inviting shortlisted developers to bring forward more detailed development and financial proposals for the redevelopment of the area in accordance with draft Heads of Terms (see further documentation). It is recognised that the terms may be subject to variation following further consideration by interested parties, including property and legal advice obtained by the Council.
- 1.7 The Council will, in this regard, obtain property and legal advice to assist the Council in pursuing the redevelopment opportunity on this site, including assistance with the developer selection process and the preparation of necessary agreements and other documents.
- 1.8 The Council is the sole landowner and the opportunity therefore exists to derive either a capital sum or a revenue return from the sale of the land. Proposals will need to bear in mind the loss of income to the Council from existing land uses. A significant rental consideration in addition to a capital receipt will therefore be sought.
- 1.9 The Council now invites shortlisted developers to prepare and submit more detailed development and financial proposals for consideration by the Council in its capacity as landowner (see Information to be Provided document).

2. CONTEXT

The Site

2.1 Bedford Riverside North is situated on the north bank of the River Great Ouse immediately to the south of Bedford Town Centre. The site is bounded by St Paul's Square to the east, Horne Lane to the north, the Heron Quay area to the west and the river to the south. Buildings within and adjacent to the site include Borough Council Offices (to be vacated), the Headquarters of Bedfordshire Pilgrims Housing Association, a Salvation Army centre, the Star Rowing Club and, the other side of Horne Lane, a Council managed multi storey car park (known as the River Street car park), a TK Maxx store and Howard and Harpur (shopping) centre access. The Howard Centre is owned and managed by the Council.

2.2 This built development within and adjacent to the site is of varying age, size and quality. The site is approximately 1.3 hectares in area.

2.3 Riverside Square, the western part of the site, currently provides short stay car parking for shoppers and visitors to the town centre, market trader parking and public convenience provision.

2.4 The eastern part of the site is largely council office buildings that are being vacated. Staff are transferring to accommodation being refurbished in Borough Hall on the south side of the river. It is planned that the tall Town Hall block within the Riverside North site will be demolished in early 2012.

Planning Context

2.5 The planning context for the site is set by the Town Centre Area Action Plan, an approved part of Bedford's Local Development Framework. In respect of Bedford Riverside North, it focuses on the Riverside Square part of the site (the then development opportunity). Key deliverables linked

to the site and to be considered for delivery are therefore :

- A prestige riverside mixed-use development that will become a leisure destination
- A grand public square
- Residential upper floors
- Retail and leisure uses at ground level
- A signature building
- Remodelling of the river wall
- A stylish foot/cycle bridge across the river to St Mary's Gardens
- A safeguarded corridor for the construction of a new Batts Ford (road traffic) bridge

2.6 Further to this formal planning context (for just part of the site), it is envisaged that the south and west sides of St Paul's square will in due course be pedestrianised providing a significant opportunity to provide an attractive visual link between the Square and the riverside. In addition, it is considered that the imaginative retention of some public surface car parking within the scheme is desirable and that significant environmental standards and features will be delivered.

2.7 It is noted, too, that the eastern part of the site (the Town Hall offices area is in Bedford's Conservation Area and is adjacent to several listed buildings.

Proposed Uses

2.8 Uses identified for Bedford Riverside North include offices, residential, hotel, leisure (including river related) and retail uses (including cafes and restaurants). It is envisaged that a range of commercial and leisure related uses on this river frontage will be both commercially and financially viable as corporate operators seek prime locations such as this. The

balance between uses will need to be carefully negotiated with the Council.

- 2.10 Market demand is also considered to exist for residential development in such a location, along with restaurants, bars and retail on the riverfront, providing the necessary quality of environment can be created through careful planning/urban design. In order to attract high value retail and leisure operators to the scheme it is essential that the quality of the development is high and that it effectively links to and from the main shopping centre.
- 2.11 Given the very attractive town centre riverside location, and car parking availability on and off site, office development may also have significant potential.
- 2.12 Making full use of the riverside for riverside visitors, workers and residents as well as river users will be a key positive for the site
- 2.13 Pre-application discussions with the Assistant Director - Planning may be appropriate to inform the process.

Public Consultation

- 2.14 Finally, in respect of context, it will be useful for those tendering to reflect on the findings of a recent (November 2010) public consultation exercise which included consideration of the Bedford Riverside North area.

3 CONFIDENTIALITY

- 3.1 *It is appropriate that proposals and discussions within this tendering process are treated as confidential It is therefore considered that the provision or sharing of information will need express prior clearance by the Council.*

4. TENDERING ARRANGEMENTS

- 4.1. This core document along with the other documentation referred to in its

contents page represents the full information provision to those invited to tender.

- 4.2 Draw down and submission of documentation will be via the Delta e-tendering facility.
- 4.3 The relatively short period in which tenders are being sought reflects the desire of the Council to accelerate the process for bringing this site forward for development and also the fact that those invited have already prepared Expressions of Interest that required material relevant to this tendering process.
- 4.4 Those submitting tenders will (subject to selection) be required to attend for presentation and interview at the Council Offices as part of the tender selection process. The date of 15th March has been set for this.

5. CONTACT DETAILS

- 5.1 For further information and the operational aspects of the process please contact:

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BEDFORD RIVERSIDE NORTH

Draft Heads of Terms



The Borough Council is promoting the development of the Bedford Riverside North area. A core tender document has been issued setting out the Council's expectations for the site as land owner.

The Borough Council proposes to grant a BUILDING AGREEMENT and GROUND LEASE of the site to a developer selected on the basis of the information provided in the tender process and subsequent negotiations.

To assist development companies responding to this invitation to tender, the following DRAFT HEADS OF TERMS have been prepared in order to indicate the Borough Council's intended means of achieving the development of the site and appropriate capital and/or rental income.

1. Parties	a. Bedford Borough Council (the Council) b. The selected development company (the Company)
2. Guarantor	The Council reserves the right to require a guarantor in respect of the performance of the covenants of the Building Agreement
3. Description and Title	The land to be subject of the scheme has an area of about 1.3 hectares and is shown edged in red on the site plan provided. The Council owns the essentially unencumbered freehold of this area and will have vacant possession.
4. Building Agreement	The Building Agreement is to be exchanged as soon as possible and in any event within six months after the date on which Heads of Terms are agreed. The Building Agreement will provide an initial period of 12 months for building design and the grant of planning permission. Extensions will be permitted by negotiation for good reasons. The Building Agreement will also provide that the Company shall at its own cost erect, execute and complete all development works in accordance with the plans, specifications and bills of quantity agreed with the Council without any avoidable delay so that the development is completed within two years of the date on which detailed planning permission is granted or vacant possession achieved whichever is the later.
5. Lease	The Lease of the development site will be granted to the Company on practical completion of the building works and is to be for a period of 125 years.
6. Consideration	The Council is seeking significant rental income eg from ground floor and other commercial uses along with a

	<p>capital payment eg from upper floor residential uses.</p> <p>The tender bid should provide a substantial financial appraisal supporting the rental and capital proposals. Financial and technical references will be taken up by the Council and two technical referees should be provided.</p>
7. Documentation	The Building Agreement and Lease will be in a form to be agreed between the parties.
8. Maximisation of Value	The Company will be required to demonstrate that it has maximised the value of the site in its proposed scheme. This could usefully be informed by pre-application discussions with the Assistant Director – Planning.
9. Plans and Specifications	<p>a. There shall be attached to the Building Agreement plans, sections and drawings to appropriate scales to be agreed together with a specification and calculations showing the detailed proposals for the development, the basis of construction and the external treatment as agreed between the parties.</p> <p>b. The Company shall undertake the development of the site in accordance with these plans, sections, drawings and specification and with any further details previously agreed in writing with the Council including the materials used, to the satisfaction of the Council.</p> <p>c. The Company shall permit the Council or its consultants to enter and inspect the development site and the erection of building[s] thereon.</p>
10. Building Operations	<p>a. The Company is to submit for the Council's approval, before the signing of the Building Agreement, a written statement the time required for the development to be completed indicating any phasing.</p> <p>b. The development is to be commenced on a date to be agreed between the parties and completed within an agreed timescale.</p>
	<p>c. The site shall be suitably enclosed with adequate hoardings to the satisfaction of the Council during the development process.</p> <p>d. The Company shall not erect temporary buildings or make use of existing buildings on site without the express approval of the Council regarding both location and term of use.</p>
11. Dedication to Council or other Authority	As and when required by the Council, the Company shall dedicate to the Council or to such other authority as the Council may direct any road vehicular access, cycleway, pathway or footpath that the Council shall determine should be adopted.
12. Uses	The Lease will contain provisions detailing the authorised uses of the development.

13. Advertising	The Building Agreement and Lease will contain provisions detailing the permitted advertising on hoardings or elsewhere during the course of building works and on the exterior of the building once works are completed, subject to the grant of planning permission.
14. Insurance	<p>a. All consultants employed by the Company shall be indemnified by insurers of good standing (to be approved by the Council acting reasonably) for a sum commensurate with the value and risks of the development.</p> <p>b. The Company is to effect insurance against such risks as the Council may reasonably determine throughout the period of construction and thereafter in respect of the full estimated cost of reinstatement including fees and other expenses and the Council's loss of rental income.</p>
15. Assignment	The Company may not assign or under-let the benefit of the Building Agreement except that on notice to the Council it may charge the Agreement for the purposes of obtaining finance for building works. The Company may enter into conditional agreements for sub-leases prior to the taking up of the Lease.
16. The Council's Other Sites and Premises	The Council reserves the right to deal with the adjoining or other sites and premises in the Town Centre as it thinks fit without regard to the demised premises.
17. The Building Agreement and Lease	The Building Agreement and Lease are to be prepared for/by the Council and shall contain those terms and such others as may be considered necessary to give effect to the proposals therein. The form of Lease is to be annexed to the Building Agreement. The Company shall pay the Council's reasonable legal costs in preparing and completing these documents.
18. Grant of Lease	Subject to the provisions under paragraph 5 above, the Lease of the premises in the development will be granted on practical completion of the building works in accordance with the approved plans and specifications together with any ancillary works such practical completion to be evidenced by a certificate to be issued by the Council's Architect.
19. Arbitration	In all cases where the consent of the Council is specifically or by implication not to be withheld unreasonably then in the event of a dispute the same shall be referred to an Arbitrator to be appointed by the President of the Law Society or the Royal Institute of Chartered Surveyors as appropriate.
20. Condition Precedent	The Building Agreement and Lease and everything dependent thereon shall be conditional upon the Company obtaining all necessary consents for the implementation of

	<p>the development. If any consents are not obtained the Agreement will be voidable at the option of the Company who will use their best endeavours to obtain such consents. The Council's powers duties and responsibilities as Local Planning Authority shall not be fettered by the Building Agreement or Lease.</p>
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BEDFORD
BOROUGH COUNCIL

TENDER SUBMISSION

Supplier Name:
(please enter)

Tender Title: Bedford Riverside North Proposal

Tender Reference No: BBC026

Deadline for submission: 13.00 hrs, 3rd March, 2011

RIVERSIDE SQUARE

Information to be Provided by Development Companies



In response to the invitation to tender Development Companies are requested to provide the following information.

1. Tender submission cover sheet (see previous page – to be completed)
2. Name and address of the Development Company.
3. Executive architect to be appointed.
4. Other consultants to be appointed.
5. Initial proposals for the development site comprising a conceptual statement plus details of intended uses, capacities, lettable areas, number of units (including scale and arrangements for any affordable housing as appropriate), illustrations of designs/styles envisaged, massing illustrations, spaces, traffic, walking and cycling routes and links, other relationships with the site's surrounds and indications of external finishes and materials.
6. The basic % rate of return which will be required on the Development Company's capital outlay.
7. Details of the envisaged rental and capital payments to the Council as indicated in paragraph 6 of the draft Heads of Terms. A substantial financial appraisal supporting these proposals should be provided.
8. The estimated timed programme needed to carry out the development. It can be assumed that the site will be made available in phases as follows: Riverside Square – Upon signing of the Building Agreement, Town Hall – Late 2012, Riverside House – Possibly as late as 2014 (subject to lease negotiation/expiry).
9. Set out any initial observations on the details contained within the Core Document and the Draft Heads of Terms.
10. Tender certificate (see following page – to be completed)

NB. Information provided in previous Expressions of Interest will also be considered as part of this tender exercise.

TENDER CERTIFICATE

DECLARATION OF COMPETITIVE TENDERING

I/We declare that:

(1) this is a bona fide tender, intended to be competitive, and that I/we have not fixed or adjusted the amount of the tender by or under or in accordance with any agreement or arrangement with any other person.

(2) I/we have not and will not do at any time before the hour and date specified for the return of this tender any of the following acts:-

(a) communicate to a person, other than the Authorised Officer, the amount or approximate amount of the proposed tender except where the disclosure, in confidence, of the approximate amount of the tender is necessary to obtain insurance premium quotations required for the preparation of the tender.

(b) enter into any agreement or arrangement with any other persons that they shall refrain from tendering or as to the amount of any tender to be submitted.

(c) offer, pay, give or agree to pay or give any sum of money or valuable consideration directly or indirectly to any person for doing or causing to be done any act or thing of the sort described above.

I/we agree that the terms of the above declaration will form part of any contract with the Council resulting from the acceptance of this tender and that any breach of this declaration and undertaking will be deemed to be a breach of that contract entitling the Council to determine the contract forthwith or to take advantage of any provision in that contract entitling the Council to determine my/our employment under that contract.

TO BEDFORD BOROUGH COUNCIL

It is agreed that the acceptance by letter on behalf of the Council of this tender, either in whole or in part, will constitute a contract for the supply of such items or services subject to agreement being reached on the basis of finalised Heads of Terms and I/we, the under-signed HEREBY UNDERTAKE to supply the goods or services on the terms and conditions of and in accordance with the invitation to tender and further agreement reached.

(It must be clearly shown whether the Tenderer is a limited company, statutory corporation, partnership or single individual, trading under his own or another name, and also if the person signing is not the actual Tenderer, the capacity in which he signs or is employed)

Signature:
(authorised agent of the Tenderer)

Name:
(please print)

Position held:

Name & Address of Tenderer:

Telephone No:

Date:

Public Consultation November 2010 Exhibition Board Response Summary

Bedford Riverside North

Your Preferences on Possible Future Uses

	Riverside Square	Town Hall	Bank Site
Cafes/Restaurants	46	28	24
Car Parking	46	18	1
Cinema	16	13	5
Hotel	14	1	-
Library	5	43	-
Offices	1	8	-
Performance and Conferencing facility	16	36	5
Public Art	24	13	12
Public Square	47	36	23
Residential	14	6	1
River Related Leisure	48	21	43
Shops	18	9	3
Walking and Cycling Routes	73	52	51

Notes on Possible Future Uses

More specialist/independent shops with some character please!

Small shops only – niche shopping

Like to see a large up to date decent shopping mall. M&S and Debenhams needs to be updated. Please!!!!

The idea of using Civic theatre as One Stop Shop will save council £1m? How much in ££s will demolition of existing Town Hall (60s block) cost?

Demolish town hall

More toilets and retail. Bus station

The council should not be wasting taxpayers money on public art, eg the Silver Statues

No more cafes at riverside – too many in town. Got hotels

Make it a tea shop instead – choice please!

Residential for older generations

A small modern community theatre and arts centre

Save the civic theatre from changing from what it is

Batts Ford Bridge !

We need a town centre cinema

Signage to Cecil Higgins development

Keep views of river – improve/keep access to it. Make it possible to cycle to area safely

Support punts but need to not get vandalised

Keep Bankside vacant

Cycle routes to keep pedestrians safe

Flats for older people down by river

Forget car parking! Use P&R

Got a very good library

Must do the bridge at Batts Ford

Demolish Town Hall

Redevelop Bankside area

Better late night parking

Existing library fine – why waste money moving it

Improved drainage St Mary's Street. Bus stop Elstow Road

Existing library just great – perfect centre – town location – don't move it!!

Cultural centre

What will be the cost of pulling down old town hall?

Theatre / cultural centre

Need some fast turnover short stay parking at strategic points around town centre (20 mins)
– its too difficult to get in and out of town for quick errands

Need open access to and view of river from town centre (currently its hardly noticeable from the town)

Mill Street yard style (Exeter)

Riverside Square – public parks/garden with outdoor café

Against high rised buildings, riverside development

Don't build the proposed flats

Cycle bridge across Ouse to Riverside Square

Short term parking would be a boon – really miss Castle Lane (very tatty!) car park.

People love to sit eat/watch in beautiful surrounds continental style / watch boats

Need more small one off shops – bring fashion/jewell students in like Brighton – council should visit Brighton small shops for ideas

Bedford needs a good sized modern theatre. The Civic is a poor theatre with limited facilities

Combined library – cultural centre. Centrally located and easily accessed

Could a cinema space such as the Picturehouse in Cambridge be incorporated in the conference and performance venue?

Already have a fantastic library, needs to be kept in centre of town but bigger

Is this an exercise in popularity – or are we really being requested to assess the future of Bedford?

Library needs to be central but could be improved (bigger and better access)

Please do not have any more horrible public art such as the one recently put in Silver Street. It is awful!!

Riverside: lets have hire of boats available, make the most of the river. No more snack places. Keep with the history of the area. Family attractive and safe.

We have a fantastic library – please make sure it stays and is expanded

Bedford used to be the cycling town. Lets have it again now.

Bedford needs new library / small theatre centre, Riverside Square ideal instead of inappropriate proposed development – out of character with surrounding architecture

Would be ‘culturally’ useful to have a cinema in the centre of the town (as indicated) and if this was developed late nigh buses could be put in place to allow non car users easy access to and from the town centre

Raise iron bridge to all cabin cruisers more access to Bedford town centre

Vintage walks? Visible maps – to show the connected paths of Bedford (walking and cycle ways)

Provision of training centres, managed by business to provide skilled workers to meet local employment needs

Notes of ‘Previous thinking’ picture

Part pedestrianisation of St Paul’s Square will only work if road across Batts Ford is built

Castle Quay commercial development was a complete waste of time and money.

Hear Hear ↑

The Batts Ford bridge must be built to aid traffic flows from south of the town for bus services

Cultural Centre

Open riverside – keep open space

St Paul's Square (south) ought also be restore up. There is a row of derelict buildings which could be restored

More continental cafes on riverside more walk ways embankment style
Cafes / restaurants on old Town Hall

Don't build high rise (or even medium rise) blocks of flats in town centre! (a lot of already empty property)

Part pedestrianisation of St Paul's is a good idea

Stop cars parking where they should not

Before building the restaurant on Bank site please consider tourist post card news of St Paul's Church which would be obliterated from the town bridge! The water tank on top of the Swan Hotel has ruined the view (wintertime) of the Church from the Suspension Bridge so the planners responsible didn't get that right!

Could the existing car park behind the town hall be used 'after hours' by anyone (for easy parking for Civic Theatre and Corn Exchange)

If you pedestrianised St Paul's Square how is traffic heading from south to north going to traverse the town centre? By this I mean local traffic

Lets have a lost property station and left property again. Marked walks and good signage

Notes on the style of buildings and space

Keep the Civic theatre – the only practical venue for disabled people. Improve stage facilities.

Please scrap the proposed development on Riverside.

Modern building for C21 please.

Do not demolish the c1960 Town Hall Tower block. It is one of the best buildings of this period in town centre and makes a good backdrop for St Paul's Church !!

Please do not go ahead with 'Branstons folly'

No glass modern boxes. In keeping with Victorian/Edwardian style

Quality modern can work with the old buildings and glass buildings are good to work in for the good lighting

You should not be asking the public to consider style – only uses

Make more pedestrian areas (traffic free)

Eco-high-standard carbon zero example of excellent architecture

Good contemporary and eco friendly

High eco standard buildings – brick would fit in with surrounding buildings – but good contemporary would also suit

Against high rise development blocking view of river from town centre

Public Consultation November 2010 Questionnaire Response Summary

Bedford Riverside North

What are your land use preferences across the three parts of the Riverside North Area?

	Not appropriate for Riverside North Area	Riverside Square	Town Hall office area	Bank site
Cafes/restaurants	16	64	65	17
Car parking	47	43	57	11
Cinema	55	26	55	17
Hotel	39	32	61	18
Library	34	26	74	12
Offices	35	16	77	18
Performance/conference facility	28	47	58	21
Residential	52	39	47	17
Public art (developer funded)	24	44	50	26
Public square	13	67	56	25
River related leisure	19	89	24	32
Shops	29	36	46	30
Walking and cycling routes	18	71	39	22

What are your thoughts about the 'Previous Riverside Thinking' picture?

Response	Number	%
Neither	59	33%
Dislike it	43	24%
Like it	36	20%
Dislike it very much	23	13%
Like it very much	11	6%
Don't know	9	5%
Base	181	

What is your preference for a buildings and spaces style for the Riverside North area?

Response	Number	%
Contemporary (glass, steel, wood etc)	92	46%
Traditional (Victorian/Edwardian, brick etc)	91	45%
Classical (plinths, columns, porticos etc)	6	3%
Italianate (round arches, colonnades, towers etc)	5	3%
Other (please specify)	8	4%
Base	202	

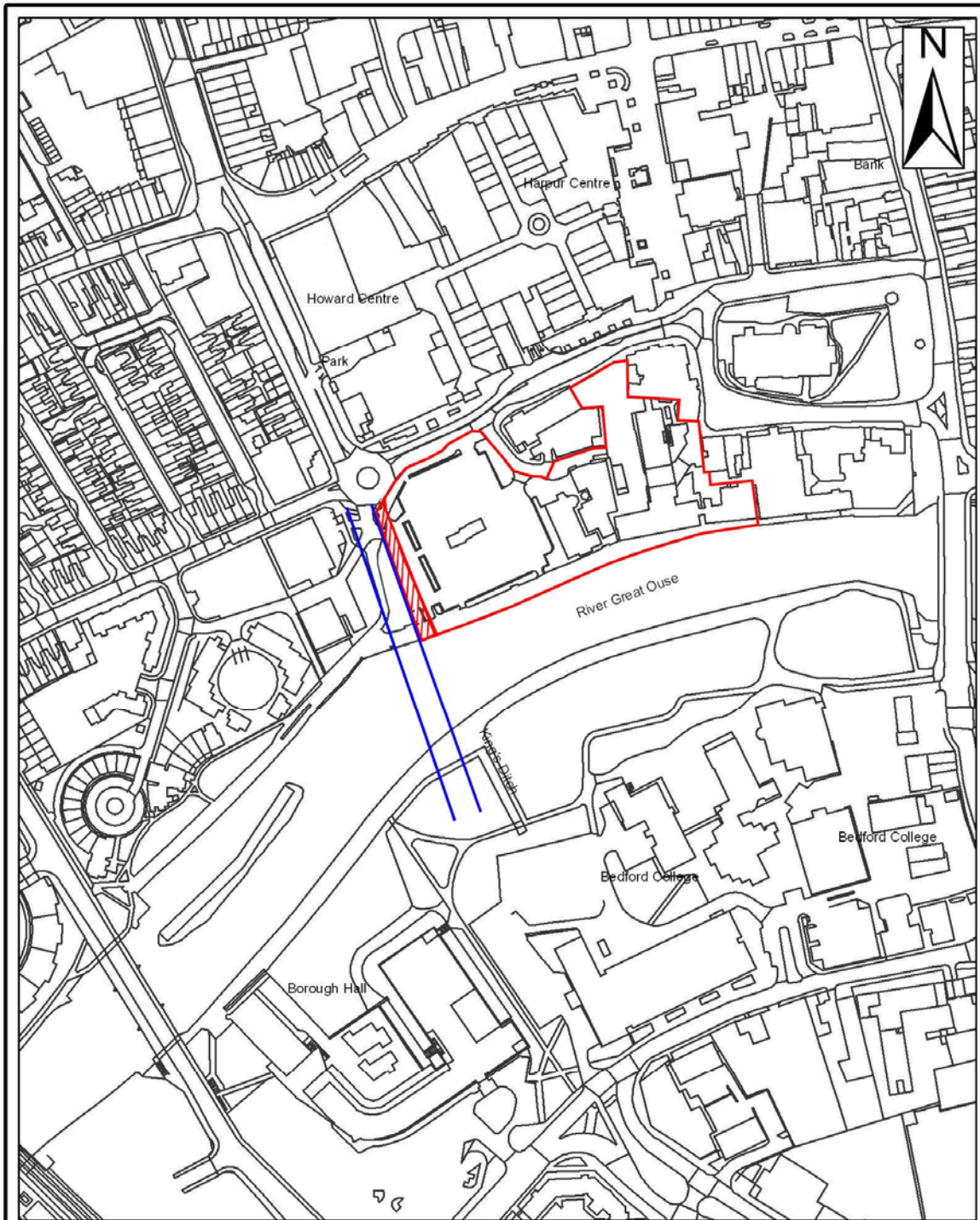
Please specify 'other'

- This area should be kept as a Car Park, especially for disabled people.
- Blend with existing
- Mixed styles please
- Mix of classical / Italianate
- A box for 'Uncertain' would have been my choice. Some illustrations would have helped me choose.
- These should not be questions for the public. The use and access are the important issues.
- In keeping with existing architecture

Other comments on the Riverside North area

Main comments are:

- Keep as open space and enjoy views
- River related activities/ link town to river
- Modern build
- Happy with current location of library
- Pedestrianism
- Keep traditional character



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Riverside North Site Boundary

- Main site boundary ▣
- Safeguarding for possible Batts Ford road bridge ▨
- Batts Ford bridge ||

Scale: 1:2,500



Drawn By: JD
Date: 21 January 2011



Property Services
Bedford Borough Council

Appendix B – Expressions of Interest Documentation

BEDFORD RIVERSIDE NORTH

AN EXCITING MIXED USE REDEVELOPMENT OPPORTUNITY



BEDFORD BOROUGH COUNCIL

DEVELOPMENT PARTNER INTEREST SOUGHT



Bedford Riverside North offers a **prime mixed use development opportunity**.

Bedford is a historic centre and county town and performs an important sub-regional shopping role. The site is situated on the River Great Ouse, an attractive setting with extensive parks and gardens.

Bedford is strategically located on a number of key road and rail routes, including the recently dualled A421, with excellent links to both the M1 and A1, and an expanding Thameslink service.

Bedford Riverside North is a key redevelopment site for the revitalisation of Bedford town centre.

The River Great Ouse is one of Bedford's greatest assets, and forms the southern boundary of the site. The river is a "jewel in the crown" for the town, with an emerging Waterspace Strategy seeking to encourage appropriate development, activity and wider appreciation of this resource. We are keen that any redevelopment embraces the riverside setting, creating a town centre destination that encourages town centre footfall to this superb asset.

Part of the site, Riverside Square, was identified as an Opportunity Site in the adopted 2002 Local Plan and features as a Key Area of Change in the Town Centre Area Action Plan. It is currently used as a surface car park. The Council is in the process of vacating its large Town Hall office building and other riverside office space which brings most of the area between Riverside Square and St Paul's Square into consideration.

Redevelopment provides a key opportunity to introduce new uses to the site, in conjunction with improved pedestrian and visual links and improved public open space between the town centre and the river, with a possible new footbridge linking the north bank with St Mary's Gardens on the opposite side of the river.

Potential uses include retail, offices, hotel, leisure and residential, subject to financial sustainability and planning considerations. The site also provides the opportunity to incorporate quality riverside facilities – bistros, restaurants, cafés etc. The loss of part or all of the current surface car park facility will require careful consideration as will the Council's expectation that the development will have strong environmental credentials. The character of the area is important as the site borders Bedford's conservation area and some listed buildings.

The Council is committed to bringing forward this site as part of a package of measures to improve the town centre.

Bedford Riverside North Scheme Basics and Principles

Project Parameters are:-

- Location:** Riverside Square is situated on the north bank of the River Great Ouse to the south of Bedford town centre. The site is bounded by St Paul's Square to the east, Horne Lane to the north, the western side of Riverside Square to the west and the river to the south; with the opportunity to land a footbridge on the south bank.
- Proposed Land Uses:** A mixed use redevelopment of the site is considered appropriate probably including offices, residential, hotel, leisure (including river related) and retail (including niche shops, bistro, restaurant and café uses). Subject to planning consideration.
- Land Ownership:** Bedford Borough Council owns the freehold of the whole site. There is a lease that expires in 2014 for a tenant within the Riverside House building. Demolition of the large Town Hall building is anticipated in late 2011.
- Size:** Total Site Area - approximately 1.29 ha
Potential gross floorspace - 30,000 sq m
- Time scale:** 2011-2016 in part subject to lease resolution issue noted above

Further details may be obtained from:-

Paul Vann – Economic Development Manager (Growth)

Bedford Borough Council, Borough Hall, Cauldwell Street, Bedford. MK42 9AP

Tel: 01234 228064 E-mail: paul.vann@bedford.gov.uk

Closing Date for Expressions of Interest: 21st January 2011