



CABINET

26 October 2011

REPORT

Subject Heading:

APPROVAL OF THE PREFERRED DEVELOPMENT PARTNER FOR THE BRIAR ESTATE

Cabinet Member:

Councillor Lesley Kelly

CMT Lead:

Cynthia Griffin

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Policy context:

Implementation of Housing Strategy and Harold Hill Ambitions Programme

Financial summary:

The recommended development partner offers the best value to the Council and will enable an associated programme of environmental improvements for the Briar, to a value of £2m.

Is this a Key Decision?

Yes

Is this a Strategic Decision?

Yes

When should this matter be reviewed?

In 6 months

Reviewing OSC:

Towns and Communities

The subject matter of this report deals with the following Council Objectives

Ensuring a clean, safe and green borough	<input checked="" type="checkbox"/>
Championing education and learning for all	<input type="checkbox"/>
Providing economic, social and cultural activity in thriving towns and villages	<input checked="" type="checkbox"/>
Valuing and enhancing the lives of our residents	<input checked="" type="checkbox"/>
Delivering high customer satisfaction and a stable council tax	<input type="checkbox"/>

SUMMARY

- 1.1 In November 2008 Cabinet approved the Harold Hill Ambitions Plan, with the improvement of the Briar Road Estate as a priority. This report sets out the procurement process for the selection of a Development Partner for the Briar Estate to provide new homes on small sites and redevelop the shops area; it recommends the approval of Notting Hill Housing Group as the Council's preferred partner. The report also sets out the background to the development of the Briar Improvements Action Plan, including the consultation to date with residents and key partners, and a summary of the environmental improvements essential for the Briar's successful renewal, to be funded primarily through the receipts from the disposal of sites to the development partner.
- 1.2 Further information on the evaluation of tenders submitted is included in an exempt appendix.

RECOMMENDATIONS

Cabinet is recommended to:

- 2.1 Approve Notting Hill Housing Group, as the Preferred Development Partner for the Briar Estate, subject to the final agreement of terms and the satisfactory conclusion of legal agreements;**
- 2.2 Approve Notting Hill Housing Group's Variant offer as set out in the Exempt Appendix;**
- 2.3 Request the Preferred Development Partner to proceed with the development of their design proposals, including consultation with residents, in order to submit a planning application(s);**
- 2.4 Authorise the Property Strategy Manager, the Head of Housing & Public Protection and the Assistant Chief Executive Legal and Democratic Services to provisionally agree Heads of Terms, deal with all matters arising and prepare the appropriate legal agreements with the Preferred Development Partner for the disposal and development of land in accordance with the principles of the Briar Development Brief and Improvement Proposals and subject to final approval of the terms by the Lead Members of Housing and Public Protection and Value;**
- 2.5 Authorise the Head of Housing and Public Protection under section 167 (2E) of the Housing Act 1996 to consult on the development of a local lettings scheme for the Briar developments;**

- 2.6 Authorise the Head of Housing and Public Protection to consult stakeholders on amendments to the Lettings Policy to enable specific local lettings policies to be developed for specific developments.**
- 2.7 Subject to all the above, approve £2.0 million be used to fund the schedule of Briar environmental improvements set out in para 3.13 of this report.**
- 2.8 To note that the £2m Capital Budget, as referred to in 2.6., will be an addition to the Council' Capital Programme, and therefore to Resolve that this addition be referred to Council, at the next appropriate opportunity – as reported in para 5.3.**

REPORT DETAIL

3.0 BACKGROUND

The Briar Road Estate

- 3.1** The Briar Road estate (The Briar) is located in Heaton ward of the Harold Hill area and covers an area of 25 hectares. It is made up of 1,200 homes and has more than 4,000 residents, tenants and owners. The estate has a real community spirit and a range of positive activities going on, including participation in developing proposals to improve the estate, vibrant community groups including the Briar Residents' Action Group (BRAG) and the Briar Community Association (BCA), local schools, a church and some useful local shops, including an award winning bakers.
- 3.2** The Briar also has some particular design issues relating to the quality of some of the housing, the layout of the streets and alleyways and parking, and the use of green spaces. The Briar has some attractive and quiet quarters with mature trees and a green space at Bosworth Field, as well as a superb community centre at the Betty Strathern centre.
- 3.3** In contrast, parts of the estate are in a run down condition with homes in need of investment and the typical problems of restricted access, lack of surveillance and poor use of communal areas and spaces. This has contributed to a decline in the quality of the public realm, with many garages disused for example, and some crime and anti social behaviour.
- 3.4** The layout of the estate has resulted in poor connections through the site, with limited pedestrian access in places, insecure surroundings and a general lack of recreational and play facilities. The Radburn layout with poorly overlooked parking areas creates more difficulties. The open spaces throughout the estate are not well connected to each other, and the estate is set back behind Straight Road and to some extent 'on its own'

Harold Hill Ambitions Plan (HHAP)

- 3.5 In November 2008 Cabinet agreed the HHAP which aims to transform Harold Hill and open up new and exciting opportunities for local people to improve their lives. HHA accords with the Council's wider 'Living Ambition' agenda and is a key priority for the Council.
- 3.6 In the Plan, Cabinet approved some 31 recommendations relating to the overall Harold Hill Ambitions programme, including prioritising improvements for the Briar Road estate and the following recommendation,
- “ That the Head of Housing and Public Protection be authorised to bring forward proposals for the improvement of Briar Road Estate in line with the preferences and aspirations expressed following consultation with local residents and that project management arrangements be made to take forward this recommendation” .
- 3.7 The Council successfully secured support from the Mayor of London's Targeted Funding Stream for the development of estate renewal proposals for the Briar.

The Briar and consultation to date

- 3.8 The Council has worked with all residents on the Briar estate, tenants and owners recognising that it is one community, and that improvements can benefit everyone.

Phase 1 – Initial Consultation

- 3.9 Initial consultation (Phase 1) with residents commenced in October 2008 and generated a high level of interest amongst the community in three public meetings. This was followed by a residents survey in 2009 carried out by an independent company, for the Council and the Briar Community Association. Nearly 900 households responded, more than 70% of those living on the estate. The survey found that more than 70% of residents did have an appetite for more consultation on regeneration.
- 3.10 These results were applicable across the whole estate, with no particular parts dissenting. Also the sample interviewed was representative of the ethnic diversity and age of the estate's population. These results therefore provided a very strong mandate for further detailed consultation on regeneration.

Phase 2 – The Briar Improvements Action Plan

- 3.11 Phase 2 consultation commenced with the development of the **Briar Improvements Action Plan**, published in the Briar Bulletin delivered door to door to all residents and shopkeepers. The Plan was presented to residents at a series of public meetings in March 2010 and at the Harold Hill Area Committee and was received positively.

The Briar Improvements Action Plan has ten points:

- Retention of the vast majority of the estate with Decent Homes for tenants and advice and assistance to homeowners to make essential improvements and repairs;
- Better use of green spaces;
- Better parking closer to where people live;
- Improved street lighting;
- Improved pavements, kerbs and roads;
- Making narrow and unsafe pathways safe;
- Improved and redeveloped shopping area, possible 'village square';
- New recreational and play facilities on Bosworth Field and Faringdon Avenue;
- Discussions with residents on redevelopment of small areas of underused land with new homes;
- Improvements to Betty Strathern Centre.

3.12 Implementation of the Plan has begun with an extensive Decent Homes programme for tenants which has been underway since March 2010. A limited number of homeowners have also taken up the opportunity of financial support from the London Rebuilding Society to carry out improvements to their homes. The improvements to the Betty Strathern Centre were completed in July 2010 and have resulted in an increasing use of the centre which is managed by the Briar Community Association.

Phase 3 – Detailed Consultation

3.13 The Council engaged consultants PRP to work with residents, Homes In Havering and partners, to turn the Improvements Plan into detailed proposals through a series of 'round table' workshops with residents during June and July 2010, followed by officers discussions during the autumn. The result was the **Briar Development Brief and Improvement Proposals** setting out the proposed physical improvements to the estate. This work designed a range of detailed environmental improvements and estimated the costs at £2.0 million, as set out in table 1 below:

Table 1:

ENVIRONMENTAL IMPROVEMENT	ESTIMATED COST £S
Replacement and re-siting of street lighting	650,000

Removal of existing road and paving surfaces	200,000
Resurfacing of roads (tarmac)	300,000
Resurfacing (paving)	140,000
Kerb replacements	12,000
Removal of garages	24,000
Refurbishment of garages	30,000
Traffic calming measures	75,000
Closing and reallocation of unsafe pathways	50,000
Snowdrop Path play area	17,000
Tree planting and landscaping	164,000
Bosworth Field Recreational and play facilities	185,000
New signage	10,000
TOTAL WORKS COSTS	1857000
Fees @ 7.7%	143,000
TOTAL	2,000,000

3.14 Final and detailed consultation on this with residents is awaited following the appointment of a development partner.

A Development Partner for the Briar – The Procurement Process

3.15 A development partner for the Briar is required for two reasons. Firstly, to build the new homes on small sites identified around the estate and to redevelop the shops and square area with a new 'village square'. Secondly, to provide a mechanism for funding the estate wide environmental improvements, through a proportion of the receipts from the disposal of sites. The Council does not have sufficient capital resources for the above.

3.16 All the Council's Preferred Housing Association providers were invited to tender at the end of March 2011, recognised in this report as tenders A,B,C and D. Tenderers were invited to:

- i) develop a series of sites across the Briar identified as potentially suitable for residential development with an estimated combined capacity of up to 138 new homes;

- ii) submit proposals to demolish and redevelop the current shops area into a successful and lively 'village square' which would also include an estimated 20 new homes.

The timetable for submission was extended following discussion with the Homes and Communities Agency.

3.17 Four tenders were received. Tender D considered the scheme unviable and was therefore non compliant. The remaining three tenders, A,B & C, were then assessed, having each provided additional clarifying information. The assessment criteria were:

- i) the extent to which the submission met the requirements of the brief as set out in the letter of invitation and the Development Brief And Improvement proposals document;
- ii) ability to deliver the scheme;
- iii) value for money

Tender A was eliminated as its bid:

- a) lacked quality and clarity in certain areas;
- b) did not meet the requirements of the brief in relation to the Village Square;
- c) did not offer value for money and was significantly lower than the two other bids.

3.18 This assessment therefore produced a shortlist of the tenders , Tender B and Tender C from Notting Hill Housing Group. These were then interviewed by an Advisory Panel consisting of officers from Housing and Strategic Property and resident representatives from the Briar Residents Action Group (BRAG) and the Briar Community Association (BCA).

The results

3.20 The two shortlisted tenders were assessed against quality criteria (60%) and land offer (40%). The quality criteria, weighted equally, were:

- number of homes;
- space standards;
- village square proposals;
- commitment and ability to work with residents;
- commitment and ability to work with partners;
- ability to deliver.

3.21 The results out of maximum score of 100, were:

Table 2: Evaluation Results for shortlisted bids

TENDER B	59.0
TENDER C – (NOTTING HILL HOUSING GROUP)	89.5

3.22 In summary, both bids were of a high quality in relation to commitment and ability to work with residents and partners and ability to deliver. However, Notting Hill's submission was superior in relation to space standards and proposals for the village square, and in value for money offering a higher receipt.

3.23 It should be noted that the offer is based on securing planning permission and a formal valuation by Notting Hill.

3.24 All bidders were invited to submit a variant offer. Notting Hill was the only bidder to submit such an offer.

The Notting Hill Variant offer

3.25 In addition to its principal offer Notting Hill are also offering a variant offer which reduces the number of homes for sale and increases the number of homes at Affordable Rent and Shared Ownership as set out in the table below

The Notting Hill Accommodation Schedule – Tenure Mix

Table 3: Comparison of Tenure Mix for Principal and Variant offers

	Principal Offer (Nos.)	Variant Offer (Nos.)	Variation (Nos.)
Affordable Rent	50	81	+31
Social Rent	16	17	+1
Shared Ownership	16	47	+31
Sale	82	19	- 63
TOTAL	164	164	

3.26 All the new homes, apart from new flats above the shops in the village square, would be houses with gardens, with the following size mix:

Table 4: Notting Hill Variant offer - size mix of new homes

Size	Nos. & %
1 bedroom	19 (11.5%)
2 bedroom	65 (39.6%)
3 bedroom	68 (41.4%)

4 bedroom	12 (7.3%)
TOTAL	164 (100%)

3.27 As the table above shows, in the variant offer more than 80% of the homes are 2 and 3 bedrooms.

3.28 The variant offer also includes a significantly higher receipt for the Council than the principal offer.

Recommendation for Variant Offer

3.29 The Variant Offer is recommended because it offers a significantly higher receipt to the Council and a more accessible form of homeownership for local residents.

3.30 It should be noted that the variant offer is also based on securing planning permission and a formal valuation by Notting Hill.

4.0 PROGRAMME TIMETABLE

4.1 The current outline project plan, subject to detailed discussion with the appointed Development Partner, is as follows:

Milestone	Date
Cabinet approves appointment of Development Partner	October 2011
Detailed consultation with residents on housing development proposals with Development Partner	November 2011
Phase 1 Planning Application submitted	February 2012
Phase 1 Planning Application approved	May 2012
Start on site	September 2012
Initial completions	January 2014

IMPLICATIONS AND RISKS

5.0 FINANCIAL IMPLICATIONS AND RISKS

Recommended Tenderer

5.1 The primary recommendation in this report is to appoint Notting Hill Housing Group as the Preferred Development Partner, subject to the provisos in paragraph 5.2 below.

- 5.2 Tenderers were asked to give a gross offer, not including section 106 costs or costs for remediation and demolition. As can be seen above Notting Hill scored significantly higher on quality and value for money and, as such, represents the best overall bid for the Council.

Investment

- 5.3 The Homes and Communities Agency, who have awarded Notting Hill HCA grant for 50 Affordable Rented units in this scheme, have indicated their support for environmental improvements. Therefore, a schedule has been prepared of Briar environmental improvements as set out in paragraph 3.13 of this report, to a value of £2m. For information, the investment is profiled to commence in the next financial year, 2012/13. This will be an addition to the Capital Programme, and therefore will require full Council approval – hence recommendation 2.7. to refer this onto Council at the next appropriate opportunity. For information, it is likely Council will consider the overall Capital Budget on 22nd February 2012.
- 5.4 The anticipated receipt is in excess of that £2m figure. There will be funds available to support the Council's wider capital programme.

6.0 LEGAL IMPLICATIONS AND RISKS:

- 6.1 An EU wide procurement was not considered appropriate as the initial assessment of the value of the development scheme proposed was below the EU threshold of £3.9 million.

7.0 HUMAN RESOURCES IMPLICATIONS AND RISKS:

- 7.1 There are no human resource implications arising from this report.

8.0 EQUALITIES IMPLICATIONS AND RISKS:

- 8.1 Members of Havering's more socially excluded communities, notably residents with low incomes and those from black and minority ethnic communities, are over-represented in the Harold Hill area. Thus, the implementation of the Briar Improvements Plan will have a positive impact on these communities' quality of life.

BACKGROUND PAPERS

None